

SK TELECOM CO LTD  
Form 6-K  
December 17, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**  
**FOR THE MONTH OF DECEMBER 2015**  
**COMMISSION FILE NUMBER 333-04906**

**SK Telecom Co., Ltd.**

(Translation of registrant's name into English)

Euljiro 65 (Euljiro2-ga), Jung-gu

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Seoul 100-999, Korea

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

*Note:* Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

*Note:* Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

If Yes is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82-

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QUARTERLY BUSINESS REPORT

(From January 1, 2015 to September 30, 2015)

THIS IS A SUMMARY OF THE QUARTERLY BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN WHICH IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SERVICES COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS.

ALL REFERENCES TO THE COMPANY, WE, US, OR OUR SHALL MEAN SK TELECOM CO., LTD. AND, UNLESS THE CONTEXT OTHERWISE REQUIRES, ITS CONSOLIDATED SUBSIDIARIES. REFERENCES TO SK TELECOM SHALL MEAN SK TELECOM CO., LTD., BUT SHALL NOT INCLUDE ITS CONSOLIDATED SUBSIDIARIES.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED FOR USE IN KOREA ( K-IFRS ) WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

**Table of Contents****COMPANY OVERVIEW****1. Company Overview**

Since the first quarter of 2011, the Company has reported its financial statements under K-IFRS. The transition date of the Company and its consolidated subsidiaries to K-IFRS is January 1, 2010, and the adoption date is January 1, 2011. The Company's semi-annual business report for the nine months ended September 30, 2015 includes the following consolidated subsidiaries:

Name	Date of Establishment	Principal Business	Total Assets as of Dec. 31, 2014 (millions of Won)	Material Subsidiary*
SK Telink Co., Ltd.	Apr. 9, 1998	Telecommunication services and satellite broadcasting services	324,028	Material
M&Service Co., Ltd.	Feb. 10, 2000	Online information services	78,826	Material
SK Communications Co., Ltd.	Sep. 19, 1996	Internet portal and other Internet information services	176,168	Material
Stonebridge Cinema Fund	Sep. 30, 2005	Investment partnership	11,137	
Commerce Planet Co., Ltd.	Jul. 1, 1997	Online shopping mall operation services	26,078	
SK Broadband Co., Ltd.	Sep. 26, 1997	Fixed-line telecommunication services, multimedia and IPTV services	3,109,991	Material
K-net Culture and Contents Venture Fund	Nov. 24, 2008	Investment partnership	21,094	
Hwaitec Focus Investment Partnership 2	Dec. 12, 2008	Investment partnership	19,301	
Open Innovation Fund	Dec. 22, 2008	Investment partnership	21,765	
PS&Marketing Co., Ltd.	Apr. 3, 2009	Sale of telecommunication devices	544,292	Material
Service Ace Co., Ltd.	Jul. 1, 2010	Customer center management services	66,336	
Service Top Co., Ltd.	Jul. 1, 2010	Customer center management services	57,032	
Network O&S Co., Ltd.	Jul. 1, 2010	Network maintenance services	71,348	
BNCP Co., Ltd.	Dec. 7, 2009	Internet services	6,785	
Iconcube, Inc.	Sep. 14, 2011	Online information services	1,382	
Iconcube Holdings, Inc.	Sep. 5, 2014	Consulting services	1,934	
Iriver Ltd.	Jul. 12, 2000	Audio device manufacturing	65,252	
groovers Japan Co. Ltd.	Feb. 25, 2015	Contents and information distribution	46	
SK Planet Co., Ltd.	Oct. 1, 2011	Telecommunication and platform services	2,579,286	Material
SK Planet Japan, K.K.	Mar. 14, 2012	Digital contents sourcing services	5,222	
SK Planet Global PTE, LTD.	Aug. 4, 2012	Digital contents sourcing services	4,215	
SK Planet America LLC	Jan. 27, 2012	Digital contents sourcing services	297,981	Material
SKP Global Holdings PTE, LTD.	Aug. 10, 2012	Holding company for overseas commerce	29,529	
SK Global Healthcare Business Group, Ltd.	Sep. 14, 2012	Investment	25,784	
Technology Innovation Partners, L.P.	Jun. 24, 2011	Investment	33,194	

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Name	Date of Establishment	Principal Business	Total Assets as of Dec. 31, 2014 (millions of Won)	Material Subsidiary*
SK Telecom China Fund I L.P.	Sep. 14, 2011	Investment	14,290	
SK Telecom China Holdings Co., Ltd.	Jul. 12, 2007	Investment	37,877	
Iriver China Co., Ltd.	Jun 24, 2004	Electronic device manufacturing	4,519	
DongGuan Iriver Electronics Co., Ltd.	Jul. 6, 2006	Electronic device manufacturing	394	
Iriver Enterprise Ltd.	Jan. 14, 2014	Wholesale and retail	4,931	
Iriver Inc.	Feb. 15, 2007	Wholesale and retail	3,008	
Iriver America Inc.	May 1, 2005	Wholesale and retail		
SKT Vietnam PTE., Ltd.	Apr. 5, 2000	Telecommunication services	4,242	
SKT Americas, Inc.	Dec. 29, 1995	Information collection and management consulting services	42,159	
YTK Investment Ltd.	Jul. 1, 2010	Investment	27,944	
Atlas Investment	Jun. 24, 2011	Investment	66,596	
Neosnetworks Co., Ltd.	Jun. 12, 2008	Security system services	31,633	
Shopkick Management Company, Inc.	Oct. 9, 2014	Investment	230,925	Material
Shopkick, Inc.	Jun.1, 2009	Mileage based e-commerce application development	28,216	

\* Material Subsidiary means a subsidiary with total assets of Won 75 billion or more as of the end of the latest fiscal year. Changes in subsidiaries are set forth below.

Change	Name	Remarks
Additions	groovers Japan Co. Ltd.	Newly established as a subsidiary of Iriver Ltd. ( Iriver ) during the first three quarters of 2015
	Entrix Co., Ltd.	Split from SK Planet Co., Ltd. and newly established during the first three quarters of 2015
Exclusions	Iriver CS Co., Ltd.	Merged into Iriver
	Shenzen E-eye High Tech Co., Ltd. ( Shenzen E-eye )	Disposed of equity investment (Sold to individuals)

**A. Corporate Legal Business Name: SK Telecom Co., Ltd.****B. Date of Incorporation: March 29, 1984****C. Location of Headquarters**

- (1) Address: 65 Euljiro, Jung-gu, Seoul, Korea
- (2) Phone: +82-2-6100-2114
- (3) Website: <http://www.sktelecom.com>



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### **D. Major Businesses**

#### (1) Wireless business

The Company provides wireless telecommunications services, characterized by its competitive strengths in handheld devices, affordable pricing, network coverage and an extensive contents library. Since the introduction of services employing LTE technology in July 2011, the telecommunications market for such services has grown as demand for fast data transfer speeds and differentiated services has increased. Having reached one million subscribers by January 2012 and over 10 million subscribers by April 2013, the Company has solidified its leadership position in LTE services as it has done with its 3G services. In June 2013, the Company became the first telecommunications service provider in the world to provide commercial LTE-Advanced ( LTE-A ) services using carrier aggregation technology, and in June 2014, the Company reaffirmed its technological leadership by becoming the first to provide commercial 225 Mbps wideband LTE-A services, which is three times faster than LTE. In December 2014, the Company launched tri-band LTE-A, which is four times faster than LTE. The Company also launched unlimited LTE data plans and other innovative data plans such as Rush hour / Subway Free plans that are unlimited data plans based on time, place and occasion (or, TPO), reflecting the data pattern usage of customers and their lifestyles. T-Phone, T-outdoor and T Kids Phone Joon, introduced in 2014, are customer-focused products that create additional value for customers. In addition, the Company released Pet Fit , a smart healthcare device for pets in April 2015 and T-Pet, which provides a variety of services such as a pet's live location information through a device embedded with USIM and positioning modules in May 2015. The Company expects that these products will have a lock-in effect on existing customers.

The Company plans to increase its profitability by strengthening its retention policy, which is the fundamental basis of competitiveness for telecommunication companies in this data-intensive era. The Company will lead the information and communication technology ( ICT ) trend by providing products through which customers can have a distinctive experience and by providing innovative services, such as the T-Phone, to transition to service-based competition.

In the business-to-business ( B2B ) area, the Company has strengthened its solutions business through the implementation of five main solution products: Smart Store, Smart Work, Smart Cloud, Green & Safety and M Ad & Payment. Since the commercial launch of its mobile IPTV services, B tv Mobile, in October 2012, the Company has gained over one million paying subscribers as of March 2014. The Company is the first telecommunications services provider in the world to provide full high definition streaming services using its LTE-A network. In 2014, the number of its mobile IPTV service subscribers increased by 1.56 million to reach 2.37 million subscribers by the end of the year and as of September 30, 2015, the number of subscribers was 3.6 million.

In the area of healthcare, the Company achieved several tangible milestones in 2014: point-of-care diagnostic devices manufactured by a company of which the Company is the largest shareholder received approval from the U.S. Food and Drug Administration; the Company entered the Chinese healthcare market; and the Company was the first Korean company to export medical information systems. The Company plans to continue to find and develop new growth engines in the mid- to long-term. The Company also plans to seek out new growth engines in existing businesses, including the intelligence business, by utilizing its technologies relating to big data.

In order to strengthen our sales channels, the Company has been offering a variety of fixed-line and wireless telecommunication convergence products to its customers through PS&Marketing Co., Ltd. ( PS&Marketing ), one of its subsidiaries. Through Service Ace Co., Ltd., another subsidiary, the Company operates customer service centers in Seoul and provides telemarketing services. Furthermore, Network O&S Co., Ltd., the Company's subsidiary responsible for the operation of the Company's 2G to 4G networks (including its CDMA, WCDMA and LTE networks), provides customers with quality network services and provides the Company with technological know-how in network operations.

#### (2) Fixed-line business

SK Broadband Co., Ltd. ( SK Broadband ) is engaged in providing telecommunications, broadcasting and new media services and various other services that are permitted to be carried out by SK Broadband under relevant regulations, as well as business activities that are directly or indirectly related to providing those services. In 1999, SK Broadband launched its high-speed Internet service in Seoul, Busan, Incheon and Ulsan and currently provides such services nationwide. SK Broadband also commercialized its TV-Portal service in July 2006 and its IPTV service in January 2009 upon receipt of permit in September 2008.

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### (3) Other businesses

With respect to the Company's e-commerce business, 11th Street, a platform service that connects various sellers and purchasers online, continues to gain market share. In the commerce platform business area, the Company, utilized the existing network of partner businesses of OK Cashbag, Korea's largest loyalty mileage program, consumer information from big data, information technology, and other sources of competitive edges that can lead the industry to launch Syrup to provide smart shopping services to consumers and Syrup Store to provide integrated marketing solutions to partner businesses in June 2014. Syrup, a mobile wallet service upgraded and rebranded from its predecessor service, Smart Wallet, reached 12.9 million users as of September 30, 2015 and leads the online-to-offline commerce business.

In the location-based services business area, users of the Company's T-Map Navigation service reached 19.9 million as of September 30, 2015. T-Map Navigation provides real time traffic information and various local information. Utilizing location-based service technology in other services, including leisure, logistics and travel services, the Company provides increased convenience and added value to customers.

In the digital contents business area, the Company provides high-quality digital contents in its leading mobile contents marketplace, T Store, which had 24.0 million subscribers as of September 30, 2015 and which the Company plans to expand.

In the advertising business area, the Company is engaged in advertisement production, promotion services and research and consulting services to substantively help businesses increase their value in a rapidly evolving business environment.

In the media business area, the Company provides the optimum environment for subscribers to access multimedia contents according to personal taste and preference through Hoppin and Btv mobile, available on various digital devices such as personal computers and mobile devices.

The Company provides integrated Internet portal services through NATE and instant messaging services through NATE-ON. In the portal service business area, key sources of revenue are display advertising, search engine-based advertising, and contents and other services. Display advertising consists of image, video and flash-based multimedia advertising carried on NATE and NATE-ON and aims to give greater exposure to the advertiser's brand name to the public. The increased effectiveness of online media as an advertising outlet has resulted in a greatly expanded advertiser base, and the increasing variety in the format of advertising has contributed to the growth of display advertising. Search engine-based advertising refers to the type of advertising that embeds advertisements within search results produced by searches of certain keywords on the NATE portal site. Search engine-based advertising has a certain appeal to small and medium-sized advertisers. Contents and other services include contents sales and providing certain types of services. Revenues from contents and other services are generated through revenues from NATE-ON instant messaging, custom decorations for mobile phones, cartoon strips, fortunetelling, movies and other contents services. In addition, SK Planet Co., Ltd. ( SK Planet ) receives revenue from its services agreement with the Company in connection with operation of WAP wireless NATE services and application development.

See II-1. Business Overview for more information.



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## (1) Corporate bonds

<b>Credit rating date</b>	<b>Subject of rating</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Rating classification</b>
June 21, 2012	Corporate bond	AAA	Korea Ratings	Regular rating
June 22, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 29, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
August 10, 2012	Corporate bond	AAA	Korea Ratings	Current rating
August 14, 2012	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
August 14, 2012	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
April 11, 2013	Corporate bond	AAA	Korea Ratings	Current rating
April 11, 2013	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
April 11, 2013	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Current rating
April 11, 2013	Corporate bond	AAA	Korea Ratings	Regular rating
April 11, 2013	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
April 11, 2013	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
April 22, 2014	Corporate bond	AAA	Korea Ratings	Regular rating
April 22, 2014	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
April 22, 2014	Corporate bond	AAA	NICE Investors Service Co., Ltd.	Regular rating
April 22, 2014	Corporate bond	AAA	Korea Ratings	Current rating
April 22, 2014	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
April 22, 2014	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating
October 15, 2014	Corporate bond	AAA	Korea Ratings	Current rating
October 15, 2014	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
October 15, 2014	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating
February 9, 2015	Corporate bond	AAA	Korea Ratings	Current rating
February 9, 2015	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
February 9, 2015	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating
May 21, 2015	Corporate bond	AAA	Korea Ratings	Regular rating
May 27, 2015	Corporate bond	AAA	Korea Investors Service, Inc.	Regular rating
June 10, 2015	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Regular rating
July 6, 2015	Corporate bond	AAA	Korea Ratings	Current rating
July 6, 2015	Corporate bond	AAA	Korea Investors Service, Inc.	Current rating
July 6, 2015	Corporate bond	AAA	NICE Investors Service, Co., Ltd.	Current rating

\* Rating definition: AAA - The certainty of principal and interest payment is at the highest level with extremely low investment risk and is stable such that it will not be influenced by reasonably foreseeable changes in external factors.

## (2) Commercial paper ( CP )

<b>Credit rating date</b>	<b>Subject of rating</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Rating classification</b>
June 21, 2012	CP	A1	Korea Ratings	Current rating
June 22, 2012	CP	A1	Korea Investors Service, Inc.	Current rating
June 29, 2012	CP	A1	NICE Investors Service Co., Ltd.	Current rating
December 14, 2012	CP	A1	Korea Investors Service, Inc.	Regular rating
December 18, 2012	CP	A1	Korea Ratings	Regular rating
December 18, 2012	CP	A1	NICE Investors Service Co., Ltd.	Regular rating



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<b>Credit rating date</b>	<b>Subject of rating</b>	<b>Credit rating</b>	<b>Credit rating entity (Credit rating range)</b>	<b>Rating classification</b>
April 11, 2013	CP	A1	Korea Ratings	Current rating
April 11, 2013	CP	A1	Korea Investors Service, Inc.	Current rating
April 11, 2013	CP	A1	NICE Investors Service Co., Ltd.	Current rating
November 29, 2013	CP	A1	Korea Ratings	Regular rating
December 18, 2013	CP	A1	Korea Investors Service, Inc.	Regular rating
December 20, 2013	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
April 22, 2014	CP	A1	Korea Ratings	Current rating
April 22, 2014	CP	A1	Korea Investors Service, Inc.	Current rating
April 22, 2014	CP	A1	NICE Investors Service Co., Ltd.	Current rating
October 15, 2014	CP	A1	Korea Ratings	Regular rating
October 15, 2014	CP	A1	Korea Investors Service, Inc.	Regular rating
October 15, 2014	CP	A1	NICE Investors Service Co., Ltd.	Regular rating
May 21, 2015	CP	A1	Korea Ratings	Current rating
May 27, 2015	CP	A1	Korea Investors Service, Inc.	Current rating
June 10, 2015	CP	A1	NICE Investors Service Co., Ltd.	Current rating

\* Rating definition: A1 - Timely repayment capability is at the highest level with extremely low investment risk and is stable such that it will not be influenced by reasonably foreseeable changes in external factors.

## (3) International credit ratings

<b>Date of credit rating</b>	<b>Subject of rating</b>	<b>Credit rating of securities</b>	<b>Credit rating company</b>	<b>Rating type</b>
June 6, 2012	Bonds denominated in Swiss Franc	A-	Fitch Inc.	Current rating
June 4, 2012	Bonds denominated in Swiss Franc	A3	Moody s Investors Service	Current rating
June 7, 2012	Bonds denominated in Swiss Franc	A-	Standard & Poor s Rating Services	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A-	Fitch Inc.	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A3	Moody s Investors Service	Current rating
October 24, 2012	Bonds denominated in U.S. dollars	A-	Standard & Poor s Rating Services	Current rating

\* On August 9, 2013, Moody s Investors Service raised the outlook on the Company s rating from A3 (Negative) to A3 (Stable).

\* On October 4, 2015, S&P lowered the outlook on the Company s rating from A- (Positive) to A- (Stable).

**2. Company History**

March 2008: Purchased shares of SK Broadband Co., Ltd. (formerly Hanaro Telecom)

May 2009: Participated in the public share offering of SK Broadband.

September 2009: Acquired leased line and related other business of SK Networks Co., Ltd.

February 2010: Purchased shares of Hana Card Co., Ltd.

October 2011: SK Planet Co., Ltd. was spun off from the Company.

February 2012: Purchased shares of SK hynix Inc. (formerly, Hynix Semiconductor Inc.)



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June 2015: Consummation of the comprehensive share exchange transaction (the Share Exchange ) through which the Company acquired all of the shares of SK Broadband that it did not otherwise own in exchange for its treasury shares such that SK Broadband became a wholly-owned subsidiary of the Company.

**A. Location of Headquarters**

22 Dohwa-dong, Mapo-gu, Seoul (July 11, 1988)

16-49 Hangang-ro 3-ga, Yongsan-gu, Seoul (November 19, 1991)

267 Namdaemun-ro 5-ga, Jung-gu, Seoul (June 14, 1995)

99 Seorin-dong, Jongro-gu, Seoul (December 20, 1999)

65 Euljiro, Jung-gu, Seoul (December 13, 2004)

**B. Significant Changes in Management**

At the 28th General Meeting of Shareholders held on March 23, 2012, Young Tae Kim and Dong Seob Jee were elected as inside directors, and Hyun Chin Lim was re-elected as an independent director and as a member of the audit committee of the Company's board of directors. At the 29th General Meeting of Shareholders held on March 22, 2013, Dae Sik Cho was elected as an inside director and Dae Shick Oh was elected as an independent director and member of the audit committee of the Company's board of directors. At the 30th General Meeting of Shareholders held on March 21, 2014, Jae Hoon Lee was elected as an independent director and Jae Hyeon Ahn was elected as an independent director and member of the audit committee of the Company's board of directors. At the 31st General Meeting of Shareholders held on March 20, 2015, Dong Hyun Jang was elected as an inside director.

**C. Change in Company Name**

On March 23, 2012, SK hynix Inc., which became our subsidiary in February 2012, changed its name to SK hynix Inc. from Hynix Semiconductor Inc. in accordance with a resolution at its annual general meeting of shareholders.

**D. Mergers, Acquisitions and Restructuring**

(1) Spin-off

In accordance with the resolution of the Company's board of directors on July 19, 2011 and the resolution of the shareholders' meeting on August 31, 2011, the Company spun off its platform business and established SK Planet Co., Ltd., effective as of October 1, 2011. The registration of the spin-off was completed on October 5, 2011. Set forth below are important details of the spin-off.

Description	Detail
Method of Spin-off	Simple vertical spin-off

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Resulting Companies

SK Telecom Co., Ltd. (Surviving Company)

Effective Date

SK Planet Co., Ltd. (Spin-off Company)  
October 1, 2011

Set forth below is a summary of the Company's financial position before and after the spin-off.

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Description	(in millions of Won)		
	Before the spin-off (As of September 30, 2011) SK Telecom Co., Ltd.	SK Telecom Co., Ltd.	After the spin-off (As of October 1, 2011) SK Planet Co., Ltd.
Total Assets	19,400,114	19,084,651	1,545,537
Total Liabilities	7,673,828	7,358,365	315,463
Total Shareholders Equity	11,726,286	11,726,286	1,230,074

The schedule of the spin-off is set forth below.

Category	Date
Board resolution on spin-off	July 19, 2011
Record Date for Determination of Shareholders for the Shareholders Meeting for Spin-off	August 4, 2011
Shareholders Meeting for Approval of Spin-off Plan	August 31, 2011
Date of Spin-off	October 1, 2011
Shareholders Meeting for Report of Spin-off and Inaugural Meeting of Shareholders	October 4, 2011
Registration of Spin-off	October 5, 2011
Notice of closure of shareholders register	July 20, 2011
Period of closure of shareholders register	August 5, 2011~ August 8, 2011
Others	
Public notice of shareholders meeting	August 10, 2011 and August 12, 2011
Dispatch of notice of shareholders meeting	August 12, 2011

Changes in shareholding, including majority shareholder  
Not applicable because the spin-off is a simple vertical spin-off.

Appraisal rights of shareholders  
Not applicable because the spin-off is a simple vertical spin-off.

Protection of creditors  
In accordance with Article 530-9 Paragraph 1, both SK Telecom and SK Planet will be jointly and severally liable for the payment of all obligations of SK Telecom incurred prior to the spin-off.

Allocation of new shares  
In accordance with Articles 530-2 through 530-12, the spin-off is a simple vertical spin-off and all shares of SK Planet were allocated to SK Telecom.

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### (2) Acquisition of shares of SK hynix Inc. (formerly, Hynix Semiconductor Inc.)

In accordance with the resolution of the Company's board of directors on November 14, 2011, the Company purchased 146,100,000 shares of SK hynix Inc. (formerly, Hynix Semiconductor Inc.) ( SK Hynix ) (aggregate purchase price of Won 3,374,726 million) on February 14, 2012 in order to acquire control of SK Hynix. The Company had a 21.05% equity interest in SK Hynix after the purchase.

### (3) Merger of SK Planet and SK Marketing & Company Co., Ltd.

On January 11, 2013, the Company acquired the remaining 50% equity stake in SK Marketing & Company Co., Ltd. ( SK Marketing & Company ), a company providing e-commerce and advertising services, from SK Innovation Co., Ltd. and gained control of both SK Marketing & Company and its subsidiary, M&Service Co., Ltd. The Company thereafter contributed the 100% equity stake in SK Marketing & Company to SK Planet and merged SK Marketing & Company into SK Planet as of February 1, 2013.



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(4) Acquisition of shares of PS&Marketing

On February 20, 2014, the board of directors of the Company resolved to invest an additional Won 100 billion (20 million common shares) into PS&Marketing, an affiliated company, in order to increase its mid- to long-term competitiveness in distribution. The date of investment was April 2, 2014, and the cumulative investment amount totaled Won 330 billion.

(5) Disposition of shares of iHQ Inc.

On March 10, 2014, the Company disposed of 3,790,000 shares (its 9.4% equity share) of iHQ Inc. to rebalance its investment portfolio.

(6) Acquisition of shares of Neosnetworks Co., Ltd. ( Neosnetworks )

In order to acquire a new growth engine, the Company acquired a controlling stake in Neosnetworks, a building security company, with the purchase of 31,310 shares (a 66.7% equity interest) of Neosnetworks. on April 2, 2014. The Company acquired an additional 50,377 shares in Neosnetworks in April 2015 through a rights offering, resulting in an increase of its ownership to 83.9%.

(7) Acquisition of shares of Iriver

On August 13, 2014, the Company purchased 10,241,722 shares (a 39.3% equity interest) of Iriver Ltd. ( Iriver ) from Vogo-Rio Investment Holdings Co., Ltd. and KGF-Rio Limited in order to foster application development and smartphone accessories as part of the Company's growth engines. As of December 31, 2014, the Company holds a 48.9% equity interest of Iriver by acquiring additional shares in its rights offering. The Company does not hold a majority of the voting rights of Iriver but the Company has concluded that it has effective control, as it holds significantly more voting rights than any other shareholder or any organized group of shareholders.

(8) Acquisition of shares of Shopkick, Inc. ( Shopkick )

On October 10 2014, SK Planet America LLC, a subsidiary of the Company, acquired (through its 95.2%-owned subsidiary Shopkick Management Company, Inc.) a 100.0% ownership interest in Shopkick, a developer of a shopping app for mobile devices that provides benefits to customers for visiting stores, in order to penetrate the mobile commerce market in the United States.

(9) Disposition of Shenzhen E-Eye shares

In 2014, the Company entered into an agreement to dispose of its equity interest in Shenzhen E-eye in order to focus its business portfolio on high-growth business areas in the Chinese ICT market. The sale was completed on March 23, 2015.

(10) Disposition of a portion of KEB Hana Card shares

On April 3, 2015, the Company sold 27,725,264 shares (10.4% out of the 25.4% equity interest the Company held prior to the sale) of KEB Hana Card Co., Ltd. to Hana Financial Group in cash. With the proceeds of such sale (Won 180 billion), the Company acquired equity interests in Hana Financial Group on April 17, 2015 through participation in a rights offering by Hana Financial Group. The Company plans to maintain its strategic alliance and pursue opportunities to create synergies with, Hana Financial Group.

(11) SK Broadband Comprehensive Share Exchange

On March 20, 2015, the Company's board of directors resolved to approve the Share Exchange.

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Share Exchange ratio: Shareholders of one common share of SK Broadband were allotted 0.0168936 common shares of SK Telecom

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Shares exchanged: 2,471,883 registered common shares of SK Telecom

Date of Share Exchange agreement: March 23, 2015

Record date: April 6, 2015

Announcement date for the proceeding of the Share Exchange as a small-scale share swap: April 6, 2015

Meeting of board of directors for approval of the Share Exchange: May 6, 2015

Date of the Share Exchange: June 9, 2015

(12) Establishment of Entrix Co., Ltd.

In the first three quarters of 2015, SK Planet spun off its cloud streaming division and established Entrix Co., Ltd. The Company exchanged 1,300,000 shares of SK Planet for 1,300,000 shares of Entrix at the time of the spin-off and later acquired an additional 2,857,000 shares by participating in the recapitalization.

(13) Additional capital raise by NanoEnTek Inc.

In the first three quarters of 2015, the Company acquired 1,090,155 shares through the additional capital raise by NanoEnTek.

(14) Reclassification of Packet One Networks' accounts

In the first three quarters of 2015, the Company reclassified its investments in Packet One from investments in associates and joint ventures to assets classified as held for sale as the Company no longer had significant control over Packet One. The difference between the book value and the fair value of Won 37.4 billion at the time of reclassification was recognized as impairment loss.

**[SK Broadband]**

(1) Merger

On July 26, 2012, the board of directors of SK Broadband resolved to merge Broadband D&M Co., Ltd., its wholly-owned subsidiary, into SK Broadband after transferring Broadband D&M Co., Ltd.'s network maintenance business to Network O&S Co., Ltd. The merger was effective as of September 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

On October 25, 2012, the board of directors of SK Broadband resolved to merge Broadband CS Co., Ltd., its wholly-owned subsidiary, into SK Broadband after transferring Broadband CS Co., Ltd.'s customer service business to Service Ace Co., Ltd. The merger was effective as of December 26, 2012. In connection with this merger, SK Broadband did not issue any new shares.

On January 3, 2013, the board of directors of SK Broadband approved the merger of Broadband Media Co., Ltd., its wholly-owned subsidiary, into SK Broadband. The merger was effective as of March 22, 2013 and was recorded as of March 25, 2013. Please refer to the Merger Completion Report filed with the Financial Services Commission on March 25, 2013. In connection with this merger, SK Broadband did not issue any new shares.

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On July 29, 2015, the board of directors of SK Broadband approved the acquisition of SK Planet's Hoppin business through a spin-off and subsequent merger transaction pursuant to Article 530-2 of the Korean Commercial Code, with both SK Broadband and SK Planet remaining as existing companies. The spin-off and subsequent merger were effective as of September 1, 2015, and on the same day, SK Broadband issued 2,501,125 new common shares resulting from the merger, allotting 0.0349186 common shares of SK Broadband per one common share of SK Planet to SK Telecom, SK Planet's sole shareholder.

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(2) Share Exchange

On March 20, 2015, the board of directors of SK Broadband resolved to approve the Share Exchange. The Share Exchange was approved at the extraordinary meeting of shareholders held on May 6, 2015. Subsequent to the Share Exchange, the Company became the parent company of SK Broadband with 100% ownership and remained a listed corporation on the KRX KOSPI Market, and SK Broadband became a wholly-owned subsidiary of the Company and was delisted from the KRX KOSDAQ Market. There was no change in the share ownership interest of the Company's existing shareholders or the Company's management in connection with the Share Exchange.

Share Exchange ratio: Shareholders of one common share of SK Broadband were allotted 0.0168936 common shares of SK Telecom

Shares exchanged: 2,471,883 registered common shares of SK Telecom

Date of Share Exchange agreement: March 23, 2015

Record date: April 6, 2015

Announcement date for the proceeding of the Share Exchange as a small-scale share swap: April 6, 2015

Meeting of board of directors for approval of the Share Exchange: May 6, 2015

Date of the Share Exchange: June 9, 2015

**[SK Planet]**

(1) Merger

On January 11, 2013, the Company acquired the remaining 50% equity stake in SK Marketing & Company, a company providing e-commerce and advertising services, from SK Innovation Co., Ltd. and gained control of both SK Marketing & Company and its subsidiary, M&Service Co., Ltd. The Company thereafter contributed the 100% equity stake in SK Marketing & Company to SK Planet and merged SK Marketing & Company into SK Planet as of February 1, 2013. In connection with this merger, the merger ratio between SK Planet and SK Marketing & Company was 1.2927317:1 and SK Planet issued 12,927,317 of its common stock.

On April 22, 2013, the board of directors of SK Planet resolved to merge Madsmart, Inc., its wholly-owned subsidiary, into SK Planet to enhance the competitiveness of its platform business and provide faster service to customers by merging the ICT capabilities of the two companies. The merger was effective as of June 1, 2013 and SK Planet did not issue any new shares in connection with the merger.

On July 29, 2015, the board of directors of SK Planet resolved to spin off its Hoppin business, which was merged into SK Broadband on September 1, 2015, in order to unify capabilities within the business and maximize synergies to improve its competitive power in the Korean and international mobile media market. SK Planet issued 2,501,125 new common shares in connection with this transaction, and the merger ratio between SK Planet and SK Broadband was 0.0349186:1.

(2) Equity spinoff of cloud streaming business

On May 29, 2015, the board of directors of SK Planet resolved to spin off its cloud streaming division on July 1, 2015 in order to strengthen its business capabilities and expand overseas. The spin-off ratio was 0.9821740 for the surviving company to 0.0178260 for the newly-established

company, and the capital reduction ratio was 1.7825968%.

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### **[SK Communications]**

(1) Disposition of shares of SK i-media

Pursuant to the resolution of its board of directors on October 17, 2011, SK Communications Co., Ltd. ( SK Communications ) sold all of the shares of SK i-media Co., Ltd. it owns to LK Media Tec Co., Ltd. for Won 1 million of cash.

(2) Disposition of shares of U-Land

Pursuant to the resolution of its board of directors on December 21, 2011, SK Communications sold all of the shares of U-Land Co., Ltd. (a 29.85% equity interest) it owns to SK Planet for Won 10 million.

(3) Disposition of the Cyworld service

Pursuant to the resolution of its board of directors on March 6, 2014, SK Communications sold its Cyworld service and certain related assets to Cyworld Co., Ltd. for Won 2.8 billion on April 8, 2014.

(4) Disposition of shares of Service-In

On November 19, 2012, SK Communications sold all of its shares (80,000 common shares) in Service-In Co., Ltd., its subsidiary, to the chief executive officer of Service-In Co., Ltd., pursuant to a resolution of its board of directors of October 31, 2012.

### **[PS&Marketing]**

On February 20, 2014, the board of directors of PS&Marketing resolved to acquire the retail distribution business, including related assets, liabilities, contracts and human capital of the information technology and mobile wing of SK Networks. On the same day, the board of directors of PS&Marketing also resolved to acquire retail stores, including their assets and liabilities, of LCNC Co., Ltd ( LCNC ). The acquisitions were completed on April 30, 2014 at a purchase price of Won 124.5 billion for the assets acquired from SK Networks and a purchase price of Won 10 billion for the assets acquired from LCNC.

### **[M&Service]**

Upon the merger between SK Marketing & Company, which held a 100% equity stake in M&Service, and SK Planet on February 1, 2013, SK Planet holds a 100% equity stake in M&Service.

### **[Neosnetworks]**

On March 31, 2015, Neos Networks acquired the unmanned electronic security business of Joeun Safe to expand its unmanned security business. The acquisition cost, which had been reported on January 5, 2015 as Won 19.4 billion, was subject to adjustment depending on the customer transfer rate. The final acquisition cost was determined on September 30, 2015 as Won 14.4 billion based on the customer transfer rate as of such date. However, an additional payment may be required if a customer extends its contract with Neos Networks. Joeun Safe was spun off from its parent company Joeun System in 2006 and has the fourth largest market share in the Korean unmanned security industry. Upon this acquisition, it is expected that the Company will quickly expand into the unmanned security market.

### **[Iriver]**

(1) Merger of Iriver CS Co., Ltd. ( Iriver CS )

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Pursuant to the resolution of its board of directors on November 18, 2014, Iriver decided to merge with Iriver CS, its wholly-owned subsidiary, with Iriver as the surviving entity. The merger was completed based on the merger ratio of 1:0 with no capital increase. The merger and merger registration were completed on January 31, 2015 and February 2, 2015, respectively.



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(2) New Establishment of groovers Japan Co. Ltd. ( groovers Japan )

On February 25, 2015, Iriver newly established its overseas subsidiary, groovers Japan, for the purpose of strengthening new business opportunities in Japan.

**E. Other Important Matters related to Management Activities**  
**[SK Telecom]**

(1) Issuance of bonds

On May 14, 2014, the Company issued four tranches of fixed-rate unsecured bonds in the principal amounts of Won 50 billion (with an annual interest rate of 3.301% and a maturity date of May 14, 2019), Won 150 billion (with an annual interest rate of 3.637% and a maturity date of May 14, 2024), Won 50 billion (with embedded options, an annual interest rate of 4.725% and a maturity date of May 14, 2029), and Won 50 billion (with embedded options, an annual interest rate of 4.72% and a maturity date of May 14, 2029).

On October 28, 2014, the Company issued three tranches of fixed-rate unsecured bonds in the principal amounts of Won 160 billion (with an annual interest rate of 2.53% and a maturity date of October 28, 2019), Won 150 billion (with an annual interest rate of 2.66% and a maturity date of October 28, 2021), and Won 190 billion (with an annual interest rate of 2.82% and a maturity date of October 28, 2024).

On February 26, 2015, the Company issued three tranches of fixed-rate unsecured bonds in the principal amounts of Won 100 billion (with an annual interest rate of 2.40% and a maturity date of February 26, 2022), Won 150 billion (with an annual interest rate of 2.49% and a maturity date of February 26, 2025), and Won 50 billion (with an annual interest rate of 2.61% and a maturity date of February 26, 2030).

On July 17, 2015, the Company issued four tranches of fixed-rate unsecured bonds in the principal amounts of Won 90 billion (with an annual interest rate of 1.89% and a maturity date of July 17, 2018), Won 70 billion (with an annual interest rate of 2.66% and a maturity date of July 17, 2025), Won 90 billion (with an annual interest rate of 2.82% and a maturity date of July 17, 2030), and Won 50 billion (with an annual interest rate of 3.40% and a maturity date of July 17, 2030).

(2) Issuance of hybrid securities

On June 7, 2013, the Company issued Won 400 billion principal amount of hybrid securities in the form of unguaranteed subordinated bonds with an annual interest rate of 4.21%, which is adjusted five years after the date of issuance. The Company classified the hybrid securities as equity, as there is no contractual obligation to deliver financial assets to the bondholders. The maturity date of the hybrid securities is June 7, 2073, which can be extended by the Company without any notice or announcement.

(3) Conversion of convertible notes

On April 7, 2009, the Company issued convertible notes with a maturity of five years in the principal amount of US\$332,528,000 with an annual interest rate of 1.75%. In 2013, holders exercised their conversion rights with respect to an aggregate principal amount of US\$326,023,000 of the convertible notes. The Company delivered 1,241,337 treasury shares in respect of US\$170,223,000 of the exercised aggregate principal amount and delivered cash in respect of the remainder due to the limit on foreign ownership. In connection with such conversion, the Company recognized Won 135 billion in financial expenses in 2013. On November 13, 2013, the Company exercised its early redemption right and on December 13, 2013, redeemed the US\$6,505,000 principal amount of convertible notes not converted by noteholders. A 20-day volume weighted average pricing formula was used for the delivery of cash made in place of treasury shares. Due to such calculation, the Company still had US\$91,108,507 outstanding in payables as of December 31, 2013. The amount was paid in full as of January 6, 2014, and currently, there is no amount outstanding.

**Table of Contents****[SK Broadband]**

SK Broadband acquired subscriberships of regional cable and other service providers on several different occasions. Such acquisitions were intended to secure a stable subscriber base for its broadband Internet service and, at the same time, increase the service coverage area. Because such acquisitions were conducted on a relatively small scale and involved the purchase of subscriberships, SK Broadband did not believe that such acquisitions rose to the level of purchasing an entire business line from another company or were likely to have a material impact on its business, and therefore decided that such acquisitions did not require resolutions of its shareholders.

**3. Total Number of Shares****A. Total Number of Shares**

(As of September 30, 2015)

(Unit: in shares)

Classification	Common shares	Share type Preferred shares	Total	Remarks
<b>I. Total number of authorized shares</b>	220,000,000		220,000,000	
<b>II. Total number of shares issued to date</b>	89,278,946		89,278,946	
<b>III. Total number of shares retired to date</b>	8,533,235		8,533,235	
a. reduction of capital				
b. retirement with profit	8,533,235		8,533,235	
c. redemption of redeemable shares				
d. others				
<b>IV. Total number of shares (II-III)</b>	80,745,711		80,745,711	
<b>V. Number of treasury shares</b>	8,116,551		8,116,551	
<b>VI. Number of shares outstanding (IV-V)</b>	72,629,160		72,629,160	

**Table of Contents****B. Treasury Shares**

## (1) Acquisitions and dispositions of treasury shares

(As of September 30, 2015)

(Unit: in shares)

Acquisition methods		Type of shares	At the beginning of period	Acquired (+)	Changes Disposed (-)	Retired (-)	At the end of period	
Acquisition pursuant to the Financial Investment Services and Capital Markets Act of Korea ( FSCMA )	Direct acquisition	Common shares	7,086,028				7,086,028	
		Preferred shares						
	Direct acquisition	Common shares						
		Preferred shares						
	Tender offer	Common shares						
		Preferred shares						
	Sub-total	Common shares	7,086,028				7,086,028	
		Preferred shares						
	Acquisition through trust and other agreements	Held by trustee	Common shares					
			Preferred shares					
Held in actual stock		Common shares	3,886,710				3,886,710	
		Preferred shares						
Sub-total	Common shares	3,886,710				3,886,710		
	Preferred shares							
Other acquisition		Common shares	(1,163,363)		(1,692,824)		(2,856,187)	
		Preferred shares						
Total		Common shares	9,809,375		(1,692,824)		8,116,551	
		Preferred shares						

\* Due to the Company's exercise of its early redemption right with respect to its convertible notes on November 13, 2013, the conversion right exercise period had expired by December 31, 2013, and there are no more treasury shares deposited with the Korea Securities Depository.

\*\* The change in treasury shares through other acquisitions was a result of the Share Exchange.



**Table of Contents****4. Status of Voting Rights**

(As of September 30, 2015)

Classification		Number of shares	(Unit: in shares)	Remarks
<b>Total shares (A)</b>	Common share	80,745,711		
	Preferred share			
<b>Number of shares without voting rights (B)</b>	Common share	8,116,551		Treasury shares
	Preferred share			
<b>Shares without voting rights pursuant to the Company's articles of incorporation (the Articles of Incorporation) (C)</b>	Common share			
	Preferred share			
<b>Shares with restricted voting rights pursuant to Korean law (D)</b>	Common share			
	Preferred share			
<b>Shares with reestablished voting rights (E)</b>	Common share			
	Preferred share			
<b>The number of shares with exercisable voting rights (F = A - B - C - D + E)</b>	Common share	72,629,160		
	Preferred share			

**5. Dividends and Others****A. Dividends**

- (1) Distribution of cash dividends was approved during the 29th General Meeting of Shareholders held on March 22, 2013.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (2) Distribution of interim dividends of Won 1,000 was approved during the 357th Board of Directors Meeting on July 25, 2013.

- (3) Distribution of cash dividends was approved during the 30th General Meeting of Shareholders held on March 21, 2014.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (4) Distribution of interim dividends of Won 1,000 was approved during the 366th Board of Directors Meeting on July 24, 2014.

- (5) Distribution of cash dividends was approved during the 31st General Meeting of Shareholders held on March 20, 2015.

Distribution of cash dividends per share of Won 8,400 (exclusive of an interim dividend of Won 1,000) was approved.

- (6) Distribution of interim dividends of Won 1,000 was approved during the 378th Board of Directors Meeting on July 23, 2015.



**Table of Contents****B. Dividends for the Last Three Fiscal Years**

(Unit: in millions of Won, except per share values and percentages)

Classification	As of and for the nine months ended September 30, 2015	As of and for the year ended December 31, 2014	As of and for the year ended December 31, 2013
Par value per share (Won)	500	500	500
(Consolidated)Net income	1,222,432	1,799,320	1,609,549
Net income per share (Won)	16,949	25,154	23,211
 Total cash dividend	 72,629	 666,802	 666,374
<b>Total stock dividends</b>			
(Consolidated)			
Percentage of cash dividend to available income (%)	5.9	37.1	41.4
Cash dividend yield ratio (%)	0.4	3.5	4.1
Stock dividend yield ratio (%)			
Cash dividend per share (Won)	1,000	9,400	9,400
Stock dividend per share (share)			

\* Net income per share means basic net income per share. The cash dividend per share of Won 9,400 includes the interim cash dividend per share of Won 1,000.

**Table of Contents****II. BUSINESS**

Each company in the consolidated entity is a separate legal entity providing independent services and products. The business is primarily separated into (1) the wireless business consisting of cellular voice, wireless data and wireless Internet services, (2) the fixed-line business consisting of fixed-line telephone, high speed Internet, data and network lease services, among others, and (3) other businesses consisting of platform services and Internet portal services, among others.

**1. Business Overview**

Set forth below is a summary business description of material consolidated subsidiaries.

<b>Classification</b>	<b>Company name</b>	<b>Description of business</b>
<b>Wireless</b>	SK Telecom Co., Ltd.	Wireless voice and data telecommunications services via digital wireless networks
	PS&Marketing Co., Ltd.	Sale of fixed-line and wireless telecommunications products through wholesale, retail and online distribution channels
<b>Fixed-line</b>	SK Broadband Co., Ltd.	High-speed Internet, TV, telephone, commercial data and other fixed-line services and management of the transmission system for online digital contents
		Various media-related services, such as channel management, including video on demand, and mobile IPTV services
<b>Other business</b>	SK Telink Co., Ltd.	International wireless direct-dial 00700 services, pre-paid international card calling services, voice services using Internet protocol and Mobile Virtual Network Operator ( MVNO ) services
	SK Planet Co., Ltd.	Various platform services such as 11th Street, Syrup, T Store and T-Map Navigation in the application and commerce areas
	SK Communications Co., Ltd.	Integrated portal services through NATE and instant messaging services through NATE-ON
	M&Service Co., Ltd.	System software development, distribution and technical support services and other online information services
	SK Planet America LLC	System software development, distribution and investments
	Shopkick Management Company, Inc.	System software development, distribution and investments
<b>[Wireless Business]</b>		

**A. Industry Characteristics**

The Korean mobile communication market is considered to have reached its maturation stage with more than a 100% penetration rate. However, the Korean mobile communications market continues to improve in the quality of services with the help of advances in network-related technology and the development of highly advanced LTE-A, LTE and 3G smartphones which enable the provision of convergence services for multimedia contents, mobile commerce, telematics, new media and other related services. In addition, through the commercialization of LTE network in July 2011 and LTE-A network in June 2013, B2B businesses, such as the corporate connected workforce business which can directly contribute to an enhancement in productivity, are expected to grow rapidly. In the first half of 2014, wideband LTE-A service was commercialized and on December 29, 2014, tri-band LTE-A service with a maximum speed of 300 Mbps was also commercialized. Such achievements were the building blocks towards the Company's LTE penetration reaching 64.8% as of September 30, 2015.



**Table of Contents****B. Growth Potential**

(Unit: in 1,000 persons)

	Classification	As of	As of December 31,		
		September 30, 2015	2014	2013	2012
Number of subscribers	SK Telecom	26,264	26,468	26,286	26,555
	Others (KT, LGU+)	26,557	26,125	25,909	25,793
	MVNO	5,601	4,584	2,485	1,276
	<b>Total</b>	<b>58,422</b>	<b>57,177</b>	<b>54,680</b>	<b>53,624</b>

\* Source: Ministry of Science, ICT and Future Planning ( MSIP ) website.

**C. Domestic and Overseas Market Conditions**

The Korean mobile communication market includes the entire population of Korea with mobile communication service needs, and almost every Korean is considered a potential user. Sales revenue related to data services is expected to increase due to the increasing popularity of smartphones and high-speed wireless networks. There is also a growing importance to the business-to-business segment, which creates added value by selling and developing various solutions. Seasonal and economic fluctuations have much less impact on the Korean mobile communication market compared to other industries.

Set forth below is the historical market share of the Company.

(Unit: in percentages)

Classification	As of	As of December 31,		
	September 30, 2015	2014	2013	2012
Mobile communication services	49.6	50.0	50.0	50.3

\* Source: MSIP website and each Korean telecommunications company's respective earnings releases (including MVNOs).

**D. Business Overview and Competitive Strengths**

The Company is seeking to transform itself from a telecommunications service provider into a comprehensive ICT service provider. It has continued to innovate the scope of its services and achieved strong growth in subscribers amid fierce competition and rate cuts. As a result, for the nine months ended September 30, 2015, the Company recorded Won 12.8 trillion in revenue and Won 1.3 trillion in operating income on a consolidated basis and Won 9.4 trillion in revenue and Won 1.3 trillion in operating income on a separate basis.

The number of subscribers (including MVNO subscribers) as of September 30, 2015 was 28.5 million, an increase of approximately 160,000 from the previous quarter due to the launching of new data-centric tariff plans. In particular, the number of smartphone subscribers as of September 30, 2015 was 20.3 million, an increase of approximately 340,000 from the previous quarter, propelled by 18.4 million LTE subscribers, solidifying the Company's market leadership. Following the launch of commercial LTE services in July 2011, the Company became the first telecommunications service provider in the world to launch commercial wideband LTE-A services in June 2014. In December 2014, the Company launched tri-band LTE-A services. By launching various high quality services utilizing the LTE-A and wideband LTE networks such as group video conference call services, full high definition mobile IPTV streaming services, and T Baseball Multiview, which allows users to watch multiple baseball games on one screen, the Company plans to provide an innovative user experience, enhance customer satisfaction and increase profitability.

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The Company has proved that it has superior network quality compared to its competitors according to the Korea Communications Commission quality evaluations. The Company has also proved to be the leader in Korea's top three customer satisfaction indices: according to the National Customer Satisfaction Index, Korean Customer Satisfaction Index and Korean Standard Service Quality Index, the Company has continued to hold the leading position for 18 years, 18 years and 16 years, respectively.

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SK Telink, a consolidated subsidiary of the Company, expanded its operations to the MVNO business based on its technical expertise and know-how obtained in its international telecommunications business and launched its MVNO service, 7Mobile, which is offered at reasonable rates and provides excellent quality. SK Telink is increasing its efforts to develop low-cost distribution channels and create niche markets through targeted marketing towards customers with lower average revenue per user. An MVNO leases the networks of a mobile network operator ( MNO ) and provides wireless telecommunication services under its own brand and fee structure, without owning telecommunication networks or frequencies.

Network O&S, a subsidiary of the Company responsible for the operation of the Company's base stations and related transmission and power facilities, offers quality fixed-line and wireless network services to customers, including mobile office products to business customers.

PS&Marketing, a subsidiary of the Company, provides a sales platform for products of the Company and SK Broadband including fixed-line and wireless telecommunication products that address customers' needs for various convergence products. PS&Marketing provides differentiated service to clients through the establishment of new sales channels and product development.

### [Fixed-line Business]

#### A. Industry Characteristics

As subscribers to various bundled wireless and fixed-line products continue to increase, the IPTV business is evolving to satisfy diverse customer needs for media services through differentiated service offerings, including mobile IPTV, bundled wireless and IPTV products and ultra-high definition services for smart televisions. The market for our corporate business is also growing, with cloud computing, mobile offices and other new information and communications technologies being commercialized. The increased usage of smartphones and tablet computers, the pilot programming of commercial ultra-high definition television broadcasting services and competition for wideband LTE services have greatly increased data traffic, thereby further emphasizing the importance of fixed-line network infrastructure that is capable of handling large capacities of data traffic with stability and efficiency.

#### B. Growth Potential

Classification		(Unit: in 1,000 persons)		
		As of September 30, 2015	As of December 31, 2014	2013
Fixed-line Subscribers	High-speed Internet	19,938	19,199	18,738
	Fixed-line telephone	16,494	16,939	17,620
	IPTV (real-time)	11,338	10,840	8,522

\* Source: MSIP website and Korea Communications Commission website

\* The number of IPTV subscribers as of September 30, 2015 has not been announced by the MSIP, and the number shown above is as of March 31, 2015.

#### C. Cyclical Nature and Seasonality

High-speed Internet, fixed-line telephone and IPTV services are mature markets that are comparatively less sensitive to cyclical economic changes as such services have become more of a necessity and the market has matured. The telecommunications services market overall is not expected to be particularly affected by economic downturns due to the low income elasticity of demand for telecommunication services.

Set forth below is the historical market share of the Company.

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Classification	(Unit: in percentages)			
	As of September 30, 2015	2014	As of December 31, 2013	2012
High-speed Internet (including resales)	25.1	25.1	24.4	24.1
Fixed-line telephone (including Voice over Internet Protocol ( VoIP ))	17.2	17.0	16.9	16.7
IPTV	26.6	26.1	23.8	22.0

\* Source: MSIP website and the Korea Communications Commission website.

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- \* With respect to VoIP services, the market share was calculated based on the number of VoIP subscribers among the Company, KT and LG U+.
- \* The number of IPTV subscribers as of September 30, 2015 has not been announced by the MSIP, and the number shown above is as of March 31, 2015.

**D. Business Overview and Competitive Strengths**

In 1999, the Company was the first in the world to commence commercial ADSL services. On the back of its premium technology and enhanced competitiveness achieved through bundled products, it is currently expanding subscriber base across all of its businesses, including broadband Internet, telephone and IPTV. In particular, SK Broadband has positioned itself to focus on corporate customer services and IPTV services as key strategic areas for mid- to long-term growth, exploiting opportunities in new ICT-based businesses that have led to revenue growth, and providing differentiated contents in its IPTV business by securing popular programming which includes exclusive children's channels and live broadcasts of Major League Baseball games. In addition, the Company has reinforced its leadership in the ultra-high definition broadcasting market by launching ultra-high definition services that require no set-top boxes in April 2014 and by commercializing ultra-high definition set-top boxes for the first time in Korea in September 2014. Furthermore, the Company was the first in the industry to adopt solutions to upgrade full high definition to ultra-high definition, and the Company also strengthened the line-up of ultra-high definition contents by securing access to diverse contents provided by Sony and NBC Universal. Moreover, the Company provides the greatest number of channels in full high definition in the IPTV market due to its recent upgrade of all 130 live high definition channels to full high definition. The Company has also been selected by the government as the lead trial operator of gigabit ( GiGA ) Internet service to promote the discovery of new technologies and services related to the expansion of GiGA coverage within the hybrid fiber-coaxial network and provide GiGA Wi-Fi and other services. Furthermore, the Company has solidified its technological leadership by setting a worldwide precedent for providing super 8K ultra-high definition broadcasting service, which has resolution four times as high as the pre-existing 4K ultra-high definition broadcasting service in the IPTV industry.

SK Telink, a provider of international telecommunications service, has been able to establish itself as a market leader as a result of its affordable pricing, proactive marketing and the quality of its services. It launched a mobile phone-based international calling service under the brand name 00700 in 1998, creating a new niche market within the long-distance telephony market that was otherwise dominated by existing service providers. In 2003, SK Telink was designated a common carrier for international calling services, which allowed us to expand our international calling services to fixed-line international calling services. SK Telink plans to strategically target the convergence of wireless and fixed-line telecommunications and strengthen its existing business, including international and long-distance calling services, value-added services for local calling and B2B services, and video conference call services while aiming to satisfy the diverse needs of customers by providing quality solutions at reasonable prices.

**[Other Business]**

**A. Industry Characteristics**

As the number of smartphones distributed in Korea exceeds 40 million, the growth in various mobile devices has spurred the rise of the service provider with a strong platform business as the leader in the ICT market. It is becoming increasingly important to enhance competitiveness by building a platform with large data capacity to handle the increase in data transmission.

A platform business acts as an intermediary by promoting interactions among various customer groups, thereby generating new values. It is important for a platform business to continually attract subscribers and users and to create an ecosystem with certain lock-in effects. A platform can exist in various forms, including as a technological standard (iOS, Android OS), a subscriber-based service platform (Facebook, Twitter) or a marketplace (Amazon, T Store). Platform businesses are evolving and expanding globally.

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A platform business has strong growth potential due to its connectivity with related services and ease of global expansion. Apple became a world-leading smartphone producer based on its innovative design and the competitive strength of its App Store platform. Google has created a new ecosystem of long-tail advertising by attracting millions of third parties to its advertising platform, as well as showing strong growth in mobile markets with its competitive platform based on Android OS. It is becoming increasingly important to enhance competitiveness through a database that can register and analyze purchase patterns of customers across all areas and a platform with large data capacity with which to utilize this database and provide differentiated services to customers.

### **B. Growth Potential**

The scope and value generated by the platform business, including application and content marketplaces and N-screen services, continue to increase as smartphones and tablet computers become more popular and the bandwidth and speed of network infrastructure improve. As the wireless network evolves to LTE, business opportunities for the platform business exist, including multimedia streaming, N-screen service based on cloud technology and high-definition location-based services. Since the platform business realizes profit by connecting with advertisements or commerce sites after building a critical mass of subscribers and traffic, the recent growth in the advertising and commerce markets is expected to present an opportunity for platform businesses. The importance of building a platform with large data capacity that is connected to various digital contents and commerce is expected to increase in the future.

### **C. Domestic and Overseas Market Conditions**

#### **(1) Commerce markets**

The Company expects that online commerce markets will continue to grow due to the growth potential of the Internet shopping population, the strengthening of online business models by off-line operators, and the rapid rise of mobile commerce. Recently, due to the widespread use of smartphones and social media, the commercialization of location-based services and the development of big data technology, online to offline (or, O2O) business, which is a concept of attracting customers to offline stores using online and mobile environments, is being highlighted as a new field in the online commerce market industry.

#### **(2) Digital contents**

The growth of application marketplaces, which started with Apple's App Store, provides the platform business with new opportunities for revenue generation. The competitive paradigm is shifting from a competition among platform operators toward a competition among eco-systems that include application developers as well as platform operators.

#### **(3) Media**

Due to an increase in the number of devices owned by each user and an increase in network speed, each user can now enjoy music or video files anywhere and anytime by storing them in cloud servers, called N-screen service. Users can recommend music to other users through social networking services and this is expected to become a distribution model for digital media contents. Various service providers are competing in this market expecting a strong growth in the online and mobile video market.

### **D. Business Overview and Competitive Strengths**

The Company plans to expand its platform ecosystem focusing on its "Open & Collaboration" motto in operating its commerce business such as 11<sup>th</sup> Street, Syrup, and OK Cashbag, its digital contents business such as T Store and its location-based service business such as T-Map Navigation, thereby ultimately increasing its enterprise value.

(1) Commerce

11th Street, an online marketplace, has continued its growth through effective marketing and customer satisfaction. Despite its later entry into the online commerce market (launched in 2008) which was already divided between Auction and G-Market, it is leading the domestic e-commerce market and is also rapidly growing in the mobile commerce market. Growth plans involving overseas joint ventures based on 11th Street's business expertise have resulted in the successful launch of an open online commerce market in Turkey in partnership with Doğuş Group in March 2013. In Indonesia, an open market platform was successfully launched through a joint venture established in July 2013 with PT XM Axiata Tbk, a wireless telecommunications company in Indonesia. In October 2014, SK Planet and Celcom Axiata Berhad, which is a leading telecommunications service provider in Malaysia, established a joint venture, Celcom Planet, and launched online commerce services tailored to the Malaysian market in April 2015.

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Syrup is a consumer-oriented commerce service with the goal of minimizing its customers' time and efforts while maximizing the economic benefits by providing information about coupons and events based on time, place and occasion. To achieve this goal, Syrup combines location-based services, such as geo-fencing, a virtual perimeter technology using a global positioning system (or, GPS) and Bluetooth Low Energy (or, BLE), with big data analysis of consumption patterns. Syrup's business partners can benefit from cost-effective marketing through Syrup by utilizing statistics and analysis regarding consumers' frequency of visits, preferred products, and consumption patterns. Furthermore, Syrup is strengthening its service foundation and competitiveness through the continual release of vertical products such as Syrup Pay, Syrup Order and Syrup Table and the expansion of Merchant.

OK Cashbag is a point-based loyalty marketing program which has grown to become a global top-tier loyalty marketing program since its inception in 1999. Customers have access to increased benefits through accumulation of loyalty reward points and partner companies use OK Cashbag as a marketing resource. As Korea's largest loyalty mileage program, OK Cashbag maintains a leading position in the industry and plans to continue strengthening its position by providing customized services befitting customers' needs and market conditions.

(2) Location-based services

T-Map Navigation provides map, local information, real-time traffic information and navigation services. With cumulative subscribers of 19.9 million as of September 30, 2015, T-Map Navigation is one of the leading location-based service platforms in Korea. By entering the Online to Offline service area with T map Taxi, T map Public Transportation and others, the Company is expanding its mobile platform foundation that connects day to day life. The Company is also providing infotainment systems to commercial vehicle businesses as well as providing localized content on its products, such as region-specific information and advertisements. The Company plans to further develop the T-Map Navigation platform by initiating open application programming interface-based services, providing services to more diverse types of devices and providing local area-based services.

(3) Digital contents

T Store, launched in September 2009, reached 24.0 million subscribers and cumulative downloads of 3.1 billion as of September 30, 2015, solidifying its leadership position in the application market and plans to widen its services to tablets and navigation devices. The Company intends to further develop T Store into a personalized gateway and mobile playground through expansion of the scope of serviceable devices, reinforcement of digital content offerings and enhancement of search services, among other things.

(4) Social networking services ( SNS ) and Internet portal services

The Company's instant messenger service, Nate-On, had a market share of 24.8% in the instant messenger market in Korea with 3.9 million net users during the month of September 2015. The Company's Internet search portal service, Nate, had a page-view market share of 5.0% as of September 30, 2015. (Source: Korean Click, based on fixed-line access)

Satellite DMB service

The Company launched its Hanbyul satellite in 2004 and received government approval in December 30, 2004 to provide satellite DMB services. Broadcasting through satellite DMB commenced in May 2005 and satellite DMB services expanded nationwide thereafter. On August 23, 2012, the board of directors of SK Telink resolved to discontinue operation of its satellite DMB services due to the rapid decrease in satellite DMB subscribers and the continued burden of fixed costs.



**Table of Contents****2. Major Products & Services****A. Updates on Major Products and Services**

(Unit: in millions of Won and percentages)

Business	Major Companies	Item	Major Trademarks	Consolidated Sales Amount (ratio)
<b>Wireless</b>	SK Telecom Co., Ltd., PS&Marketing Co., Ltd., Service Ace Co., Ltd., Network O&S Co., Ltd.	Mobile communication service, wireless data service, ICT service	T and others	9,909,101 (78%)
<b>Fixed-line</b>	SK Broadband Co., Ltd., SK Telink Co., Ltd.	Fixed-line phone, high speed Internet, data and network lease service	B tv , 00700 international call, 7Mobile and others	1,857,606 (15%)
<b>Other</b>	SK Planet Co., Ltd , SK Communications Co., Ltd.,  Iriver Inc. M&Service Co., Ltd.,	Internet portal service and  e-commerce	OK Cashbag, NATE, T Store, T-Map Navigation and others	990,678 (8%)
Total				12,757,385 (100%)

**[Wireless Business]**

As of September 30, 2015, based on the Company's standard monthly subscription plan, the basic service fee was Won 11,000 and the usage fee was Won 1.8 per second.

**[Fixed-line Business]**

SK Broadband provides broadband Internet access service, telephony, TV, corporate data services and other services for both individual and corporate customers. As of September 30, 2015, broadband Internet and TV services comprised 54.9% of SK Broadband's revenue, telephony service 19.5%, corporate data services 24.2% and other telecommunications services 1.4%. Price fluctuations in the different services provided by SK Broadband are due to discounts provided for long term contracts, changes in equipment costs and competition between companies.

**[Other Business]**

Set forth below are major products and services of the Company's material consolidated subsidiaries.

Business	Item	Major Trademarks
<b>Platform</b>	ICT services, new media services, advertisement services, telecommunications sales, e-commerce and others	Syrup, T Store, 11th Street, T Map, OK Cashbag and others
<b>Advertisement (Display, Search) Contents and others</b>	Online advertisement services Pay content sales and other services	Nate, Nate-On Nate, Nate-On

**3. Investment Status****[Wireless Business]**

**A. Investment in Progress**

(Unit: in 100 millions of Won)

<b>Business</b>	<b>Classification</b>	<b>Investment period</b>	<b>Subject of investment</b>	<b>Investment effect</b>	<b>Expected investment amount</b>	<b>Amount already invested</b>	<b>Future investment</b>
Network/Common	Upgrade/ New installation	2015	Network, systems and others	Capacity increase and quality improvement; systems improvement	20,000	10,674	
	Total				20,000	10,674	

**Table of Contents****B. Future Investment Plan**

(Unit: in 100 millions of Won)

Business	Expected investment amount		Expected investment for each year			Investment effect
	Asset type	Amount	2015	2016	2017	
Network/Common	Network, systems and others	20,000	20,000	To be determined	To be determined	Upgrades to the existing services and expanded provision of services including wideband LTE-A
Total		20,000	20,000	To be determined	To be determined	

**[Fixed-line Business]****A. Investment in Progress**

For the nine months ended September 30, 2015, the Company made the capital expenditures set out below in order to expand its client base and network infrastructure, and the Company expects that the total amount of capital investments in 2015 will be similar to that of 2014.

(Unit: in 100 millions of Won)

Business	Classification	Investment period	Subject of investment	Investment effect	Total investments	Amount already invested	Future investment
High-speed Internet				Expand subscriber networks and facilities		1,217	
Telephone						50	
Television						673	
Corporate Data	Upgrade/ New installation	<b>For the nine months ended September 30, 2015</b>	Backbone and subscriber network / others	Increase leased-line and integrated information system	3,706	1,142	To be determined
Others				Expand networks and required space		624	
		Total			3,706	3,706	

**4. Revenues**

(Unit: in millions of Won)

Business	Sales type		Item	For the nine months ended September 30, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013
Wireless	Services	Mobile communication	Export	8,620	6,773	2,526
			Domestic	9,900,481	13,521,108	13,313,006
			Subtotal	9,909,101	13,527,881	13,315,532

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<b>Fixed-line</b>	Services	Fixed-line,	Export	65,725	63,608	28,002
		B2B data,	Domestic	1,791,881	2,386,312	2,296,387
		High-speed Internet, TV	Subtotal	1,857,606	2,449,920	2,324,389
<b>Other</b>	Services	Display and	Export	32,550	20,798	14,049
		Search ad., Content	Domestic	958,128	1,165,199	948,084
			Subtotal	990,678	1,185,997	962,133
<b>Total</b>			Export	106,895	91,179	44,577
			Domestic	12,650,490	17,072,619	16,557,477
			Total	12,757,385	17,163,798	16,602,054

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(Unit: in millions of Won)

For the nine months ended

September 30, 2015	Wireless	Fixed	Other	Sub total	Internal transaction	After consolidation
<b>Total sales</b>	11,197,968	2,328,102	1,536,305	15,062,375	(2,304,990)	12,757,385
<b>Internal sales</b>	1,288,867	470,496	545,627	2,304,990	(2,304,990)	
<b>External sales</b>	9,909,101	1,857,606	990,678	12,757,385		12,757,385
<b>Operating income (loss)</b>	1,288,478	74,686	(57,010)	1,306,154		1,306,154
<b>Profit (loss) for the period</b>						1,630,447
<b>Total assets</b>	23,885,941	3,628,563	3,220,129	30,734,633	(2,175,913)	28,558,720
<b>Total liabilities</b>	9,545,761	2,323,767	1,098,331	12,967,859	(42,909)	12,924,950

**5. Derivative Transactions****A. Current Swap Contract Applying Cash Flow Risk Hedge Accounting**

Currency swap and interest rate swap contracts under cash flow hedge accounting as of September 30, 2015 are as follows.

Borrowing date	Hedged item	Hedged risk	Contract type	Financial institution	Duration of contract
Jul. 20, 2007	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$400,000,000)	Foreign currency risk	Cross currency swap	Morgan Stanley and five other banks	Jul. 20, 2007 Jul. 20, 2027
Jun. 12, 2012	Fixed-to-fixed cross currency swap (Swiss Franc denominated bonds face value of CHF 300,000,000)	Foreign currency risk	Cross currency swap	Citibank and five other banks	Jun. 12, 2012 Jun. 12, 2017
Nov. 1, 2012	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$700,000,000)	Foreign currency risk	Cross currency swap	Barclays and nine other banks	Nov. 1, 2012 May. 1, 2018
Jan. 17, 2013	Fixed-to-fixed cross currency swap (Australia dollar denominated bonds face value of AUD 300,000,000)	Foreign currency risk	Cross currency swap	BNP Paribas and three other banks	Jan. 17, 2013 Nov. 17, 2017
Mar. 7, 2013	Floating-to-fixed cross currency interest rate swap (U.S. dollar denominated bonds face value of US\$300,000,000)	Foreign currency risk and interest rate risk	Cross currency interest rate swap	DBS Bank	Mar. 7, 2013 Mar. 7, 2020
Oct. 29, 2013	Fixed-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$300,000,000)	Foreign currency risk	Cross currency swap	Korea Development Bank and others	Oct. 29, 2013 Oct. 26, 2018
Dec. 16, 2013	Fixed-to-fixed cross currency swap (U.S. dollar denominated loan face value of US\$80,577,000)	Foreign currency risk	Cross currency swap	Deutsche Bank	Dec. 16, 2013 Apr. 29, 2022

**B. Treatment of Derivative Instruments on the Balance Sheet**

As of September 30, 2015, fair values of the above derivatives recorded in assets or liabilities and details of derivative instruments are as follows.

(Unit: in millions of Won and thousands of foreign currencies)

Hedged item	Fair value					Trading purposes	Total
	Accumulated gain (loss) on valuation of derivatives	Tax effect	Cash flow hedge Foreign currency translation gain (loss)	Others <sup>(*)</sup>			
<b>Non-current assets:</b>							
Convertible option <sup>(*)</sup> (face amounts of Won 100 billion)						8,983	8,983
Fixed-to-fixed cross currency swap							
(U.S. dollar denominated bonds face value of US\$400,000,000)	(53,080)	(16,946)	20,051	129,806			79,831
Fixed-to-fixed cross currency swap							
(U.S. dollar denominated bonds face value of US\$700,000,000)	(19,212)	(6,134)	72,364				47,018

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Floating-to-fixed cross currency swap (U.S. dollar denominated bonds face value of US\$300,000,000)	(9,430)	(3,010)	33,163	20,723
Fixed-to-fixed cross currency swap				
(U.S. dollar denominated bonds face value of US\$300,000,000)	(6,164)		39,548	33,384
Fixed-to-fixed cross currency swap				
(U.S. dollar denominated bonds face value of US\$80,577,000)	(4,334)	(1,384)	11,044	5,326
<b>Total assets</b>				195,265
<b>Non-current liabilities:</b>				
Fixed-to-fixed cross currency swap				
(Swiss Franc denominated bonds face value of CHF 300,000,000)	(8,219)	(2,624)	5,354	(5,489)
Fixed-to-fixed cross currency swap				
(Australia dollar denominated bonds face value of AUD 300,000,000)	3,264	1,042	(84,273)	(79,967)
<b>Total liabilities</b>				(85,456)

(\*1) Cash flow hedge accounting has been applied to the relevant contract from May 12, 2010. Others represent gain on valuation of currency swap incurred prior to the application of hedge accounting and was recognized through profit or loss prior to the year ended December 31, 2012.

## 6. Major Contracts

[SK Telecom]

(Unit: in 100 millions of Won)					
Category	Vendor	Start Date	Completion Date	Contract Title	Contract Amount
Goods	Telcower Co.	January 22, 2015	December 31, 2015	2014 B2B GOP Unmanned Security System Installation in eastern Korea	118
	Cremotech Co.	April 9, 2015	September 30, 2015	2015 Purchase of Smart Beam Laser Products	58
	Noori Telecom	November 8, 2012	April 30, 2015	2012 B2B Unit Price Contract for Wireless Modems to Remotely Read Meters of KEPCO's Transformer Users	52
	SK Planet Co., Ltd.	August 27, 2015	December 31, 2016	2015-2016 Operation of T Mania Service	146
	Samsung Electronics Co., Ltd.	September 8, 2015	September 30, 2017	2015 B2B Tablets For Use in Renault Samsung Motors Vehicles	54
Construction	Kocom	January 9, 2015	December 31, 2015	2014 B2B GOP Unmanned Security System Installation in	60

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Equipment	Oracle Korea	January 1, 2015	December 31, 2017	eastern Korea 2015 B2B SK Planet Oracle DBMS ULA	49
Real Estate	SK Broadband Co., Ltd.	February 1, 2015	January 31, 2016	Namsan Office Building Lease Contract	52
Real Estate	Individuals	January 1, 2015	September 30, 2015	Purchase of land (Jeonju region and 17 others)	210
Subtotal					799



**Table of Contents****[SK Broadband]**

SK Broadband enters into contracts to use telecommunications facilities, including the use of line conduits and interconnection among telecommunication service providers.

Counterparty	Contract Contents	Contract Period	Note
Telecommunication service providers	Interconnection among telecommunication service providers	From Jan. 2015 to Dec. 2015	Automatically renewed for two years at a time unless specific amendments are requested
KEPCO	Provision of electric facilities	(Unless special reasons arise, the usage period will be renewed annually) From Jan. 2012 to Dec. 2014	Use of electricity poles
Seoul City Railway	Use of telecommunication line conduits	(Renewal in progress, expected to enter into a contract after deciding technical service unit price, to be applied retroactively to 2015 payments) From July 2009 to July 2013	Use of railway telecommunication conduit (Serviced areas to expand)
Busan Transportation Corporation	Use of telecommunication line conduits	(Renewal in progress, currently in the process of transitioning to private network system, plans to enter into a contract once completed and the remaining work is confirmed) From May 2010 to May 2013	Use of railway telecommunication conduit (Serviced areas to expand)
Seoul Metro	Use of telecommunication line conduits	(Renewal in progress, currently in discussion to decide usage unit price, future plans to enter into a contract) From Sep. 2010 to Dec. 2012	Use of railway telecommunication conduit (Serviced areas to expand)
Gwangju City Railway	Use of telecommunication line conduits	(Renewal in progress, in the completion stage of transitioning to private network system, currently reviewing whether to renew contract at the end of 2015)	Use of railway telecommunication conduit (Service lease)

\* Renewal is in progress after negotiation of lower usage fees.

**[SK Communications]**

Counterparty	Purpose	Contract Period	Contract Amount
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Kakao Corp.

Cost-per-click Internet search  
advertisement

Amount determined based on  
the number of clicks

\* SK Communications and Kakao Corp. have agreed not to publicly disclose the contract period with respect to the contract with Kakao Corp.

**Table of Contents****7. R&D Investments**

Set forth below are the Company's R&D expenditures.

(Unit: in millions of Won except percentages)

Category	For the nine months ended	For the year ended		Remarks
	September 30, 2015	2014	2013	
Raw material	907	530	38	
Labor	50,976	71,224	79,865	
Depreciation	106,849	176,975	158,158	
Commissioned service	27,417	67,802	22,923	
Others	45,515	81,221	102,668	
Total R&D costs	231,664	397,752	363,652	
Accounting				
Sales and administrative expenses	226,381	390,943	352,385	
Development expenses (Intangible assets)	5,283	6,809	11,267	
R&D cost / sales amount ratio (Total R&D costs / Current sales amount×100)	1.82%	2.32%	2.19%	

**8. Other information relating to investment decisions****A. Trademark Policies**

The Company manages its corporate brand and other product brands in a comprehensive way to protect and increase their value. The Company's Brand Strategy Council in charge of overseeing its systematic corporate branding operates full-time to execute decisions involving major brands and operates Brandnet, an intranet system to manage corporate brands by providing solutions such as registering and licensing of the brands.

**B. Business-related Intellectual Property****[SK Telecom]**

The Company holds 4,391 Korean-registered patents, 338 U.S.-registered patents, 225 Chinese-registered patents (all including patents held jointly with other companies) and more patents with other countries. The Company holds 975 Korean-registered trademarks and owns intellectual property rights to the design of the alphabet T. The designed alphabet T is registered in all business categories for trademarks (total of 45) and is being used as the primary brand of the Company.

**[SK Broadband]**

SK Broadband holds 411 Korean-registered patents relating to high-speed Internet, telephone and IPTV service. In addition, SK Broadband has applied for a patent relating to two-way broadcasting system. SK Broadband also holds a number of trademarks and service marks relating to its service and brand.

**[SK Planet]**

As of September 30, 2015, SK Planet held 2,637 registered patents, 128 registered design marks, 1,251 registered trademarks and five copyrights (including those held jointly with other companies) in Korea. It also holds 124 U.S.-registered patents, 92 Chinese-registered patents, 64 Japanese-registered patents, 34 E.U.-registered patents (all including patents held jointly with other companies) and 295 registered trademarks, along with a number of other intellectual property rights, in other countries.

**[SK Communications]**

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As of September 30, 2015, SK Communications held 85 registered patents, 26 registered design rights and 703 registered trademarks in Korea.

### **C. Business-related Pollutants and Environmental Protection**

The Company does not engage in any manufacturing and therefore does not undertake any industrial processes that emit pollutants into the air or industrial processes in which hazardous materials are used.

**Table of Contents****III. FINANCIAL INFORMATION****1. Summary Financial Information (Consolidated and Separate)****A. Summary Financial Information (Consolidated)**

Below is the summary consolidated financial information of the Company as of September 30, 2015, December 31, 2014 and December 31, 2013 and for the nine months ended September 30, 2015 and 2014 and the years ended December 31, 2014 and 2013. The Company's reviewed consolidated financial statements as of September 30, 2015 and December 31, 2014 and for the nine months ended September 30, 2015 and 2014, which are prepared in accordance with K-IFRS, are attached hereto.

	(Unit: in millions of Won except number of companies)		
	As of September 30, 2015	As of December 31, 2014	As of December 31, 2013
<b>Assets</b>			
Current Assets	5,573,261	5,083,148	5,123,415
Cash and Cash Equivalents	1,263,748	834,429	1,398,639
Accounts Receivable Trade, net	2,555,497	2,392,150	2,257,316
Accounts Receivable Other, net	725,728	690,527	643,603
Others	1,028,288	1,166,042	823,857
Non-Current Assets	22,985,459	22,858,085	21,453,100
Long-Term Investment Securities	1,135,057	956,280	968,527
Investments in Associates and Joint Ventures	6,771,515	6,298,088	5,325,297
Property and Equipment, net	10,170,550	10,567,701	10,196,607
Intangible Assets, net	2,199,204	2,483,994	2,750,782
Goodwill	1,932,658	1,917,595	1,733,261
Others	776,475	634,427	478,626
<b>Total Assets</b>	<b>28,558,720</b>	<b>27,941,233</b>	<b>26,576,515</b>
<b>Liabilities</b>			
Current Liabilities	5,233,888	5,420,310	6,069,220
Non-Current Liabilities	7,691,062	7,272,653	6,340,738
<b>Total Liabilities</b>	<b>12,924,950</b>	<b>12,692,963</b>	<b>12,409,958</b>
<b>Equity</b>			
Equity Attributable to Owners of the Parent Company	15,503,547	14,506,739	13,452,372
Share Capital	44,639	44,639	44,639
Capital Surplus (Deficit) and Other Capital Adjustments	676,234	277,998	317,508
Retained Earnings	14,726,953	14,188,591	13,102,495
Reserves	55,721	(4,489)	(12,270)
Non-controlling Interests	130,223	741,531	714,185
<b>Total Equity</b>	<b>15,633,770</b>	<b>15,248,270</b>	<b>14,166,557</b>
<b>Total Liabilities and Equity</b>	<b>28,558,720</b>	<b>27,941,233</b>	<b>26,576,515</b>
Number of Companies Consolidated	39	40	28

(Unit: in millions of Won except per share amounts)

	<b>For the nine months ended September 30, 2015</b>	<b>For the nine months ended September 30, 2014</b>	<b>For the year ended December 31, 2014</b>	<b>For the year ended December 31, 2013</b>
Operating Revenue	12,757,385	12,874,772	17,163,798	16,602,054
Operating Income	1,306,154	1,335,052	1,825,105	2,011,109
Profit Before Income Tax	1,630,447	1,606,342	2,253,828	1,827,101
Profit for the Period	1,222,432	1,295,950	1,799,320	1,609,549
Profit for the Period Attributable to Owners of the Parent Company	1,222,585	1,299,898	1,801,178	1,638,964
Profit for the Period Attributable to Non-controlling Interests	(153)	(3,948)	(1,858)	(29,415)
Basic Earnings Per Share (Won)	16,949	18,206	25,154	23,211
Diluted Earnings Per Share (Won)	16,949	18,206	25,154	23,211

**Table of Contents****B. Summary Financial Information (Separate)**

Below is the summary separate financial information of the Company as of September 30, 2015, December 31, 2014 and December 31, 2013 and for the nine months ended September 30, 2015 and 2014 and the years ended December 31, 2014 and 2013. The Company's reviewed separate financial statements as of September 30, 2015 and December 31, 2014 and for the nine months ended September 30, 2015 and 2014, which are prepared in accordance with K-IFRS, are attached hereto.

	(Unit: in millions of Won)		
	As of September 30, 2015	As of December 31, 2014	As of December 31, 2013
<b>Assets</b>			
Current Assets	3,133,073	2,689,913	2,817,782
Cash and Cash Equivalents	523,839	248,311	448,459
Accounts Receivable Trade, net	1,636,670	1,559,281	1,513,138
Accounts Receivable Other, net	463,780	305,990	388,475
Others	508,784	576,331	467,710
Non-Current Assets	20,011,649	20,022,549	20,009,637
Long-Term Investment Securities	672,572	608,797	729,703
Investments in Subsidiaries and Associates	8,650,617	8,181,769	8,010,121
Property and Equipment, net	7,308,398	7,705,906	7,459,986
Intangible Assets, net	1,670,874	1,928,169	2,239,167
Goodwill	1,306,236	1,306,236	1,306,236
Others	402,952	291,672	264,424
<b>Total Assets</b>	<b>23,144,722</b>	<b>22,712,462</b>	<b>22,827,419</b>
<b>Liabilities</b>			
Current Liabilities	3,355,378	3,378,046	4,288,073
Non-Current Liabilities	5,744,773	5,792,195	5,223,938
<b>Total Liabilities</b>	<b>9,100,151</b>	<b>9,170,241</b>	<b>9,512,011</b>
<b>Equity</b>			
Share Capital	44,639	44,639	44,639
Capital Surplus and Other Capital Adjustments	859,638	433,894	433,894
Retained Earnings	13,204,177	12,996,790	12,665,699
Reserves	(63,883)	66,898	171,176
<b>Total Equity</b>	<b>14,044,571</b>	<b>13,542,221</b>	<b>13,315,408</b>
<b>Total Liabilities and Equity</b>	<b>23,144,722</b>	<b>22,712,462</b>	<b>22,827,419</b>

	(Unit: in millions of Won except per share amounts)			
	For the nine months ended September 30, 2015	For the nine months ended September 30, 2014	For the year ended December 31, 2014	For the year ended December 31, 2013
Operating Revenue	9,418,994	9,831,961	13,012,644	12,860,379
Operating Income	1,270,116	1,284,686	1,737,160	1,969,684
Profit Before Income Tax	1,188,977	1,014,801	1,321,750	1,220,797
Profit for the Period	889,374	810,182	1,028,541	910,157
Basic Earnings Per Share (Won)	12,297	11,303	14,262	12,837
Diluted Earnings Per Share (Won)	12,297	11,303	14,262	12,837





**Table of Contents****2. Other Matters Related to Financial Information****A. Restatement of the Financial Statements**

Not applicable.

**B. Allowance for Doubtful Accounts**

## (1) Allowance for Doubtful Accounts of Trade and Other Receivables

(Unit: in millions of Won)

**For the nine months ended September 30, 2015**

	Gross amount	Allowance for Doubtful Accounts	Percentage
Accounts receivable trade	2,855,671	244,904	9%
Loans	128,434	25,515	20%
Accounts receivable other	800,663	72,547	9%
Accrued income	11,470		0%
Guarantee deposits	303,662		0%
<b>Total</b>	<b>4,099,900</b>	<b>342,966</b>	<b>8%</b>

(Unit: in millions of Won)

**For the year ended December 31, 2014**

	Gross amount	Allowance for Doubtful Accounts	Percentage
Accounts receivable trade	2,682,595	221,909	8%
Loans	157,934	27,694	18%
Accounts receivable other	772,711	78,588	10%
Accrued income	10,134		0%
Guarantee deposits	289,009		0%
<b>Total</b>	<b>3,912,383</b>	<b>328,191</b>	<b>8%</b>

(Unit: in millions of Won)

**For the year ended December 31, 2013**

	Gross amount	Allowance for Doubtful Accounts	Percentage
Accounts receivable trade	2,495,155	224,685	9%
Loans	164,306	27,469	17%
Accounts receivable other	715,405	71,802	10%
Accrued income	11,970	29	0%
Guarantee deposits	252,148		0%
<b>Total</b>	<b>3,638,984</b>	<b>323,985</b>	<b>9%</b>

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(2) Movements in Allowance for Doubtful Accounts of Trade and Other Receivables

(Unit: in millions of Won)

	<b>For the nine months ended September 30, 2015</b>	<b>For the year ended December 31, 2014</b>	<b>For the year ended December 31, 2013</b>
<b>Beginning balance</b>	328,191	323,985	300,668
Increase of allowance for doubtful accounts	51,425	63,697	79,330
Reversal of allowance for doubtful accounts			(359)
Write-offs	(58,100)	(89,529)	(76,697)
Other	21,450	30,039	21,042
<b>Ending balance</b>	342,966	328,191	323,985

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## (3) Policies for Allowance for Doubtful Accounts

The Company establishes allowances for doubtful accounts based on the likelihood of recoverability of trade and other receivables based on their aging at the end of the period and past customer default experience for the past two years. With respect to trade receivables relating to wireless telecommunications services, the Company considers the likelihood of recovery based on past customer default experience and the length of default in connection with the type of default (e.g., whether the customer's service has been terminated or is continued). For such trade receivables that have been overdue for more than two years after the customer's service has been terminated, the Company records an allowance of 100% of such receivables. For such trade receivables that have been overdue for less than two years after the customer's service has been terminated or relates to a customer that is continuing his service, the Company records an allowance of a certain percentage of such receivable. Consistent with customary practice, the Company writes off trade and other receivables for which the prescription period has passed or that are determined to be impossible or economically too costly to collect, including receivables that are less than Won 200,000 and more than six months overdue and receivables that have been determined to be the subject of identity theft.

## (4) Aging of Accounts Receivable

(Unit: in millions of Won)

	As of September 30, 2015					Total
	Six months or less	From six months to one year	From one year to three years	More than three years		
Accounts receivable trade	2,557,236	57,524	155,596	85,315	2,855,671	
Percentage	89.6%	2.0%	5.5%	3.0%	100.0%	

**C. Inventories**

## (1) Detailed Categories of Inventories

(Unit: in millions of Won)

Account Category	For the nine months ended September 30, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013
Merchandise	241,224	246,738	161,928
Goods in transit			
Other inventories	30,771	20,929	15,192
<b>Total</b>	<b>271,995</b>	<b>267,667</b>	<b>177,120</b>
Percentage of inventories to total assets			
[ Inventories / Total assets ]	0.95%	0.96%	0.67%
Inventory turnover			
[ Cost of sales / { ( Beginning balance of inventories + Ending balance of inventories ) / 2 } ]	7.01	7.55	6.20

## (2) Reporting of Inventories

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The Company holds handsets, ICT equipment for offline sales, etc. in inventory. The Company conducts physical due diligence of its inventories with its auditors at the end of each year.

### **D. Fair Value Measurement**

See notes 4(5) to 4(7) and 4(16) of the notes to our audited consolidated financial statements as of and for the years ended December 31, 2014 and 2013 for more information.

**Table of Contents****E. Key Terms of Debt Securities  
[SK Telecom]**

The following are key terms and conditions of bonds issued by the Company.

(As of September 30, 2015)

(Unit: in millions of Won except percentages)

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Date	Date			
Unsecured Bond Series 54	Sept. 12, 2006	Sept. 12, 2016		200,000	Sept. 4, 2006	Shinhan Investment Corp.
Unsecured Bond Series 57-2	March 3, 2008	March 3, 2018		200,000	Feb. 22, 2008	Shinhan Investment Corp.
Unsecured Bond Series 59-1	Jan. 22, 2009	Jan. 22, 2016		40,000	Jan. 14, 2009	Samsung Securities Co., Ltd.

Maintenance of Financial Ratio	Key Term Compliance Status	Debt ratio no greater than 400% Compliant
Restriction on Liens	Key Term Compliance Status	The total amount of secured debt not to exceed 50% of share capital as of the end of the previous fiscal year Compliant
Restriction on Disposition of Assets	Key Term Compliance Status	Disposal of assets per fiscal year not to exceed 5 trillion won Compliant
Submission of Compliance Certificate	Compliance Status	Submitted on October 27, 2015

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Date	Date			
Unsecured Bond Series 60-1	March 5, 2009	March 5, 2016		230,000	Feb. 24, 2009	NH Investment & Securities Co., Ltd.
Unsecured Bond Series 61-1	Dec. 27, 2011	Dec. 27, 2016		110,000	Dec. 19, 2011	Hana Financial Investment Co., Ltd.
Unsecured Bond Series 61-2	Dec. 27, 2011	Dec. 27, 2021		190,000	Dec. 19, 2011	Hana Financial Investment Co., Ltd.

Maintenance of Financial Ratio	Key Term Compliance Status	Debt ratio no greater than 300% Compliant
Restriction on Liens	Key Term Compliance Status	The total amount of secured debt not to exceed 50% of share capital as of the end of the previous fiscal year Compliant
Restriction on Disposition of Assets	Key Term Compliance Status	Disposal of assets per fiscal year not to exceed 2 trillion won Compliant
Submission of Compliance Certificate	Compliance Status	Submitted on October 28, 2015

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Date	Date			
Unsecured Bond Series 62-1	Aug. 28, 2012	Aug. 28, 2019		170,000	Aug. 22, 2012	

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						Meritz Securities Co., Ltd.
Unsecured Bond	Series 62-2	Aug. 28, 2012	Aug. 28, 2022	140,000	Aug. 22, 2012	Meritz Securities Co., Ltd.
Unsecured Bond	Series 62-3	Aug. 28, 2012	Aug. 28, 2032	90,000	Aug. 22, 2012	Meritz Securities Co., Ltd.

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Maintenance of Financial Ratio	Key Term	Debt ratio no greater than 300%
	Compliance Status	Compliant
Restriction on Liens	Key Term	The total amount of secured debt not to exceed 100% of share capital as of the end of the previous fiscal year
	Compliance Status	Compliant
Restriction on Disposition of Assets	Key Term	Disposal of assets per fiscal year not to exceed 2 trillion won
	Compliance Status	Compliant
Submission of Compliance Certificate	Compliance Status	Submitted on October 27, 2015

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Date	Date			
Unsecured Bond Series 63-1	April 23, 2013	April 23, 2023		230,000	April 17, 2013	Korea Securities Finance Corp.
Unsecured Bond Series 63-2	April 23, 2013	April 23, 2033		130,000	April 17, 2013	Korea Securities Finance Corp.
Unsecured Bond Series 64-1	May 14, 2014	May 14, 2019		50,000	April 29, 2014	Korea Securities Finance Corp.
Unsecured Bond Series 64-2	May 14, 2014	May 14, 2024		150,000	April 29, 2014	Korea Securities Finance Corp.
Unsecured Bond Series 64-4	May 14, 2014	May 14, 2029		50,000	April 29, 2014	Korea Securities Finance Corp.
Unsecured Bond Series 65-1	Oct. 28, 2014	Oct. 28, 2019		160,000	Oct. 16, 2014	Korea Securities Finance Corp.
Unsecured Bond Series 65-2	Oct. 28, 2014	Oct. 28, 2021		150,000	Oct. 16, 2014	Korea Securities Finance Corp.
Unsecured Bond Series 65-3	Oct. 28, 2014	Oct. 28, 2024		190,000	Oct. 16, 2014	Korea Securities Finance Corp.
Unsecured Bond Series 66-1	Feb. 26, 2015	Feb. 26, 2022		100,000	Feb. 11, 2015	Korea Securities Finance Corp.
Unsecured Bond Series 66-2	Feb. 26, 2015	Feb. 26, 2025		150,000	Feb. 11, 2015	Korea Securities Finance Corp.
Unsecured Bond Series 66-3	Feb. 26, 2015	Feb. 26, 2030		50,000	Feb. 11, 2015	Korea Securities Finance Corp.

Maintenance of Financial Ratio	Key Term	Debt ratio no greater than 300%
	Compliance Status	Compliant
Restriction on Liens	Key Term	The total amount of secured debt not to exceed 100% of share capital as of the end of the previous fiscal year
	Compliance Status	Compliant
Restriction on Disposition of Assets	Key Term	Disposal of assets per fiscal year not to exceed 2 trillion won
	Compliance Status	Compliant
Submission of Compliance Certificate	Compliance Status	Submitted on August 21, 2015

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Date	Date			
Unsecured Bond Series 67-1	July 17, 2015	July 17, 2018		90,000	July 9, 2015	Korea Securities Finance Corp.
Unsecured Bond Series 67-2	July 17, 2015	July 17, 2025		70,000	July 9, 2015	Korea Securities Finance Corp.
Unsecured Bond Series 67-3	July 17, 2015	July 17, 2030		90,000	July 9, 2015	Korea Securities Finance Corp.

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Unsecured Bond	Series 67-4	July 17, 2015	July 17, 2030	50,000	July 9, 2015	Korea Securities Finance Corp. Korea Securities Finance Corp.
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Maintenance of Financial Ratio	Key Term	Debt ratio no greater than 300%
	Compliance Status	Compliant
Restriction on Liens	Key Term	The total amount of secured debt not to exceed 100% of share capital as of the end of the previous fiscal year
	Compliance Status	Compliant
Restriction on Disposition of Assets	Key Term	Disposal of assets per fiscal year not to exceed 2 trillion won
	Compliance Status	Compliant
Submission of Compliance Certificate [SK Broadband]	Compliance Status	Expected to submit after 2015 3Q Business Report

The following are key terms and conditions of bonds issued by SK Broadband.

(As of September 30, 2015)

(Unit: in millions of Won except percentages)

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Issue Date	Date			
Unsecured Bond Series 36-3	Jan. 19, 2012	Jan. 19, 2017	100,000	January 11, 2012	Samsung Securities Co., Ltd.	
Unsecured Bond Series 37-2	Oct. 12, 2012	Oct. 12, 2017	120,000	October 8, 2012	Hanwha Investment & Securities Co., Ltd.	

Maintenance of Financial Ratio	Key Term	Debt ratio no greater than 500%
	Compliance Status	Compliant
Restriction on Liens	Key Term	The total amount of secured debt not to exceed 200% of share capital as of the end of the previous fiscal year
	Compliance Status	Compliant
Restriction on Disposition of Assets	Key Term	Disposal of assets per fiscal year not to exceed 10 trillion won
	Compliance Status	Compliant
Submission of Compliance Certificate	Compliance Status	Compliant

Name	Issue Date	Maturity		Principal Amount	Date of Fiscal Agency Agreement	Fiscal Agent
		Issue Date	Date			
Unsecured Bond Series 38-1	April 2, 2014	Oct. 2, 2016	80,000	March 21, 2014	Korea Securities Finance Corp.	
Unsecured Bond Series 38-2	April 2, 2014	April 2, 2019	210,000	March 21, 2014	Korea Securities Finance Corp.	
Unsecured Bond Series 39	Sept. 29, 2014	Sept. 29, 2019	130,000	Sept. 17, 2014	Korea Securities Finance Corp.	
Unsecured Bond Series 40-1	Jan. 14, 2015	Jan. 14, 2018	50,000	Jan. 2, 2014	Korea Securities Finance Corp.	
Unsecured Bond Series 40-2	Jan. 14, 2015	Jan. 14, 2020	160,000	Jan. 2, 2014	Korea Securities Finance Corp.	
Unsecured Bond Series 41	July 15, 2015	July 15, 2020	140,000	July 3, 2015	Korea Securities Finance Corp.	

Maintenance of Financial Ratio	Key Term	Debt ratio no greater than 400%
	Compliance Status	Compliant
Restriction on Liens	Key Term	

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		The total amount of secured debt not to exceed 200% of share capital as of the end of the previous fiscal year	
	Compliance Status		Compliant
Restriction on Disposition of Assets	Key Term	Disposal of assets per fiscal year not to exceed 2 trillion won	
	Compliance Status		Compliant
Submission of Compliance Certificate	Compliance Status		Compliant

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**[SK Telink]**

The following are key terms and conditions of bonds issued by SK Telink.

(As of September 30, 2015)

(Unit: in millions of Won except percentages)

Name	Issue Date	Maturity	Principal Amount	Date of	Underwriter
		Date		Underwriting	
Unsecured Bond Series 3	Nov. 29, 2011	Nov. 29, 2015	10,000	Nov. 21, 2011	Samsung Securities Co., Ltd.

Maintenance of Financial Ratio	Key Term Compliance Status	Debt ratio no greater than 500% Compliant
Restriction on Liens	Key Term Compliance Status	The total amount of secured debt not to exceed 500% of share capital as of the end of the previous fiscal year Compliant
Restriction on Disposition of Assets	Key Term Compliance Status	Disposal of assets per fiscal year not to exceed 2 trillion won Compliant
Submission of Compliance Certificate	Compliance Status	Submitted on Sept. 11, 2015

**Table of Contents****IV. AUDITOR S OPINION****1. Auditor (Consolidated)**

<b>Nine months ended June 30, 2015</b> KPMG Samjong Accounting Corp.	<b>Year ended December 31, 2014</b> KPMG Samjong Accounting Corp.	<b>Year ended December 31, 2013</b> KPMG Samjong Accounting Corp.
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**2. Audit Opinion (Consolidated)**

<b>Period</b>	<b>Auditor s opinion</b>	<b>Issues noted</b>
Nine months ended June 30, 2015		
Year ended December 31, 2014	Unqualified	N/A
Year ended December 31, 2013	Unqualified	N/A

**3. Auditor (Separate)**

<b>Nine months ended March 31, 2015</b> KPMG Samjong Accounting Corp.	<b>Year ended December 31, 2014</b> KPMG Samjong Accounting Corp.	<b>Year ended December 31, 2013</b> KPMG Samjong Accounting Corp.
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**4. Audit Opinion (Separate)**

<b>Period</b>	<b>Auditor s opinion</b>	<b>Issues noted</b>
Nine months ended June 30, 2015		
Year ended December 31, 2014	Unqualified	N/A
Year ended December 31, 2013	Unqualified	N/A

**5. Remuneration for Independent Auditors for the Past Three Fiscal Years****A. Audit Contracts**

(Unit: in millions of Won except number of hours)

<b>Fiscal Year</b>	<b>Auditors</b>	<b>Contents</b>	<b>Fee</b>	<b>Total number of hours accumulated for the fiscal year</b>
Year ended December 31, 2015	KPMG Samjong Accounting Corp.	Semi-annual review Quarterly review Separate financial statements audit Consolidated financial statements audit English financial statements review and other audit task	1,320	19,008
Year ended December 31,	KPMG Samjong	Semi-annual review Quarterly review	1,280	17,890

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2014	Accounting Corp.	Separate financial statements audit Consolidated financial statements audit English financial statements review and other audit task		
Year ended December 31, 2013	KPMG Samjong Accounting Corp.	Semi-annual review Quarterly review Separate financial statements audit Consolidated financial statements audit English financial statements review and other audit task	1,250	17,796

**Table of Contents****B. Non-Audit Services Contract with External Auditors**

(Unit: in millions of Won)

Period	Contract date	Service provided	Service duration	Fee
Nine months ended September 30, 2015	January 9, 2015	Audit of public WiFi	January 9-January 23, 2015	85
	September 30, 2015	Confirmation of debt ratio	September 30, 2015-October 5, 2015	30
Year ended December 31, 2014	March 18, 2014	Due diligence of assets	March 18-April 2, 2014	50
	May 28, 2014	Tax advice	May 28-September 23, 2014	42
Year ended December 31, 2013	June 12, 2014	Review of revised local tax laws	June 12-July 14, 2014	22
	N/A			

**6. Change of Independent Auditors**

Not applicable.

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**V. MANAGEMENT'S DISCUSSION AND ANALYSIS**

Omitted in quarterly and semi-annual reports in accordance with Korean disclosure rules.

**VI. CORPORATE ORGANIZATION INCLUDING BOARD OF DIRECTORS**

**1. Board of Directors**

**A. Overview of the Composition of the Board of Directors**

The Company's board of directors (the Board of Directors) is composed of six members: four independent directors and two inside directors. Within the Board, there are five committees: Independent Director Nomination Committee, Audit Committee, Compensation Committee, CapEx Review Committee, and Corporate Citizenship Committee.

(As of September 30, 2015)

<b>Total number of persons</b>	<b>Inside directors</b>	<b>Independent directors</b>
6	Dong Hyun Jang, Dae Sik Cho	Jay Young Chung, Dae Shick Oh, Jae Hoon Lee, Jae Hyeon Ahn

At the 31st General Meeting of Shareholders held on March 20, 2015, Dong Hyun Jang was newly elected as an inside director. At the meeting of the Board of Directors held on March 20, 2015, Jay Young Chung was appointed as the chairman of the Board of Directors.

**B. Significant Activities of the Board of Directors**

<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
371st	February 5, 2015	Financial statements as of and for the year ended December 31, 2014	Approved as proposed
(the 1st meeting of 2015)		Annual business report as of and for the year ended December 31, 2014	Approved as proposed
		Bond offering	Approved as proposed
		Lease contract of Namsan office building with SK Broadband	Approved as proposed
		Report of internal accounting management	

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372nd  (the 2nd meeting of 2015)	February 24, 2015	<p>Report for the period after the fourth quarter of 2014</p> <p>Convocation of the 31st General Meeting of Shareholders</p>	Approved as proposed
		<p>Report of internal accounting management</p> <p>Election of the representative director</p>	Approved as proposed
		<p>Election of the chairman of the Board of Directors</p>	Approved as proposed
373rd  (the 3rd meeting of 2015)	March 20, 2015	<p>Election of committee members</p>	Approved as proposed
		<p>Financial transactions with affiliated company (SK Securities)</p>	Approved as proposed
		<p>Share Exchange with SK Broadband</p>	Approved as proposed
		<p>Disposal of treasury shares</p> <p>Additional investment in Neosnetworks</p>	<p>Approved as proposed</p> <p>Approved as proposed</p>
374th  (the 4th meeting of 2015)	April 23, 2015	<p>Reappointment of compliance officer</p>	Approved as proposed
		<p>Provision of funds for management of the 2015 SUPEX meetings</p>	Approved as proposed
375th  (the 5th meeting of 2015)	May 6, 2015	<p>Report for the period after the first quarter of 2015</p>	
		<p>Approval of Share Exchange Agreement with SK Broadband</p>	Approved as proposed
376th  (the 6th meeting of 2015)	May 29, 2015	<p>Purchase of SK Broadband shares</p>	Approved as proposed
		<p>Report in relation to the equity spinoff for SK Planet's cloud streaming business</p>	





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<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
		Transactions with SK C&C in the third quarter of 2015	Approved as proposed
		Transactions with INFOSEC Co., Ltd. in the third quarter of 2015	Approved as proposed
377th  (the 7th meeting of 2015)	June 25, 2015	Bond offering	Approved as proposed
		Transactions regarding corporate bonds with affiliated company (SK Securities)	Approved as proposed
		Financial transactions with affiliated company (SK Securities)	Approved as proposed
		Service transactions with SK (China) Enterprise Management Co., Ltd.	Approved as proposed
		Investment in Entrix Co., Ltd.	Approved as proposed
		Extension of maturity of KIF(Korea IT Fund)	Approved as proposed
378th  (the 8th meeting of 2015)	July 23, 2015	Extension of SK Telecom's CVC	Approved as proposed
		Payment of interim dividends	Approved as proposed
		Report on the financial results for the first half of 2015	
		Report for the period after the second quarter of 2015	
		Status of SK Telecom's media business	

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		Next generation information technology business proposal	Approved as proposed
		Transactions with INFOSEC Co., Ltd. in the fourth quarter of 2015	Approved as proposed
		Transactions with SK Holdings in the fourth quarter of 2015	Approved as proposed
379th  (the 9th meeting of 2015)	September 24, 2015	Transactions of marketable securities with SK Planet	Approved as proposed
		Acquisition of treasury shares	Approved as proposed
		Transactions regarding corporate bonds with affiliated company (SK Securities)	Approved as proposed
		Financial transactions with affiliated company (SK Securities)	Approved as proposed
		Plans for participation in internet bank consortium	

\* The line items that do not show approval are for reporting purposes only.

\* The term of Hyun Chin Lim ended on March 20, 2015.

### C. Committees within Board of Directors

(1) Committee structure (as of September 30, 2015)

(a) Compensation Review Committee

Total number of persons	Inside Directors	Independent Directors	Members	Task
3			Jay Young Chung, Dae Shick Oh, Jae Hoon Lee	Review CEO remuneration system and amount

\* The Compensation Review Committee is a committee established by the resolution of the Board of Directors.

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(b) Capex Review Committee

<b>Total number of persons</b>	<b>Inside Directors</b>	<b>Independent Directors</b>	<b>Members</b>	<b>Task</b>
4			Jay Young Chung, Dae Shick Oh, Jae Hoon Lee, Jae Hyeon Ahn	Review major investment plans and changes thereto

\* The Capex Review Committee is a committee established by the resolution of the Board of Directors.

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(c) Corporate Citizenship Committee

Total number of persons	Members		Task
	Inside Directors	Independent Directors	
3		Jay Young Chung, Dae Shick Oh, Jae Hyeon Ahn,	Review guidelines on corporate social responsibility ( CSR ) programs, etc.

\* The Corporate Citizenship Committee is a committee established by the resolution of the Board of Directors.

(d) Independent Director Nomination Committee

Total number of persons	Members		Task
	Inside Directors	Independent Directors	
3	Dong Hyun Jang	Jae Hoon Lee, Jae Hyeon Ahn	Nomination of independent directors

\* Under the Korean Commercial Code, a majority of the members of the Independent Director Nomination Committee should be independent directors.

(e) Audit Committee

Total number of persons	Members		Task
	Inside Directors	Independent Directors	
3		Dae Shick Oh, Jae Hoon Lee, Jae Hyeon Ahn	Review financial statements and supervise independent audit process, etc.

\* The Audit Committee is a committee established under the provisions of the Articles of Incorporation and the Korean Commercial Code.

**2. Audit System**

The Company's Audit Committee consists of three independent directors, Dae Shick Oh, Jae Hoon Lee and Jae Hyeon Ahn.

Major activities of the Audit Committee as of September 30, 2015 are set forth below.

Meeting	Date	Agenda	Approval
The 1st meeting of 2015	February 4, 2015	Report of internal accounting management system	

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Review of business and audit results for the second half of 2014 and  
business and audit plans for 2015

Evaluation of internal monitoring controls based on the opinion of the  
members of the Audit Committee

Approved as proposed

Service contract with SKTCH

Approved as proposed

Transactions with INFOSEC Co., Ltd. in the first quarter of 2015

Approved as proposed

Engagement of Independent Auditing Firm for 2015 to 2017

Approved as proposed

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<b>Meeting</b>	<b>Date</b>	<b>Agenda</b>	<b>Approval</b>
		Report on the IFRS audit of fiscal year 2014	
		Report on review of 2014 internal accounting management system	
		Evaluation of internal accounting management system operation	Approved as proposed
The 2nd meeting of 2015	February 23, 2015	Agenda and document review for the 31st General Meeting of Shareholders	Approved as proposed
		Auditor's report for fiscal year 2014	Approved as proposed
		Construction of fixed-line and wireless networks in 2015	Approved as proposed
		Contract for payment of customer appreciation gifts in 2015	Approved as proposed
		Transactions with SK C&C Co., Ltd. in the second quarter of 2015	Approved as proposed
The 3rd meeting of 2015	March 19, 2015	Transactions with INFOSEC Co., Ltd. in the second quarter of 2015	Approved as proposed
		Transaction with SK Planet Co., Ltd. for VIP program in 2015	Approved as proposed
The 4th meeting of 2015	April 22, 2015	Election of the chairman	Approved as proposed
		Purchase of maintenance, repair and operations items from Happynarae Co., Ltd.	Approved as proposed
			Approved as proposed

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Remuneration for outside auditor for fiscal year 2015

Approved as proposed

Outside auditor service plan for fiscal year 2015

Audit plan for fiscal year 2015

The 5th

May 29, 2015

meeting of 2015

Construction of fixed-line and wireless networks in 2015

Approved as proposed

Remuneration increase for outside auditors for fiscal year 2015

Approved as proposed

The 6th

July 22, 2015

meeting of 2015

Review report of outside auditors for the first half of fiscal year 2015

Review of business and audit results for the first half of 2015 and  
business and audit plans for the second half of 2015

\* The line items that do not show approval are for reporting purposes only.

### 3. Shareholders Exercise of Voting Rights

#### A. Voting System and Exercise of Minority Shareholders Rights

Pursuant to the Articles of Incorporation as shown below, the cumulative voting system was first introduced in the general meeting of shareholders held in 2003.

Articles of Incorporation	Description
Article 32(3) (Election of Directors)	Cumulative voting under Article 382-2 of the Korean Commercial Code will not be applied for the election of directors.
Article 4 of the 12 <sup>th</sup> Supplement to the Articles of Incorporation (Interim Regulation) Also, neither written or electronic voting system nor minority shareholder rights is applicable.	Article 32(3) of the Articles of Incorporation shall remain effective until the day immediately preceding the date of the general meeting of shareholders held in 2003.



**Table of Contents****VII. SHAREHOLDERS****1. Shareholdings of the Largest Shareholder and Related Persons****A. Shareholdings of the Largest Shareholder and Related Persons**

(As of September 30, 2015)

(Unit: in shares and percentages)

Name	Relationship	Type of share	Number of shares owned and ownership ratio			
			Beginning of Period		End of Period	
			Number of shares	Ownership ratio	Number of shares	Ownership ratio
SK Holdings Co., Ltd.	Largest Shareholder	Common share	20,363,452	25.22	20,363,452	25.22
Tae Won Chey	Officer of affiliated company	Common share	100	0.00	100	0.00
Shin Won Chey	Officer of affiliated company	Common share	4,000	0.00	1,067	0.00
Dong Hyun Jang	Officer of the Company	Common share	0	0.00	251	0.00
Myung Hyun Cho	Officer of affiliated company	Common share	0	0.00	60	0.00
Total		Common share	20,368,290	25.22	20,364,930	25.22

**B. Overview of the Largest Shareholder**

SK Holdings Co., Ltd. ( SK Holdings ) is a holding company in accordance with the Fair Trade Act and as of September 30, 2015, has ten subsidiaries: SK Innovation Co., Ltd., SK Telecom Co., Ltd., SK Networks Co., Ltd., SKC Co., Ltd., SK E&C Co., Ltd., SK Shipping Co., Ltd., SK E&S Co., Ltd., SK Biofarm Co., Ltd., SK Forest Co., Ltd. and INFOSEC Co., Ltd.

Details of the subsidiaries of SK Holdings are as follows:

(Unit: in millions of Won)

Affiliates	Share Holdings	Book Value (million Won)	Industry	Description
SK Innovation Co., Ltd.	33.4%	3,072,937	Energy and Petrochemical	Publicly Listed
SK Telecom Co., Ltd.	25.2%	5,080,681	Telecommunication	Publicly Listed
SK Networks Co., Ltd.	39.1%	706,229	Trading and Energy	Publicly Listed
SKC Co., Ltd.	41.8%	548,654	PET Film Manufacturing and Chemical Products	Publicly Listed
SK E&C Co., Ltd.	44.5%	545,300	Infrastructure, Architectural Housing and Plant Construction	Privately Held
SK Shipping Co., Ltd.	83.1%	332,400	Ocean Freight	Privately Held
SK E&S Co., Ltd.	100.0%	2,600,000	Gas Company Holdings and Power Generation	Privately Held
SK Biofarm Co., Ltd.	100.0%	328,702	Biotechnology	Privately Held
SK Forest Co., Ltd.	100.0%	61,387	Forestry and Landscaping	Privately Held
INFOSEC Co., Ltd.	99.4%	43,753	Information Protection	Privately Held

\* The above shareholdings are based on common share holdings as of September 30, 2015.

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SK Holdings is a publicly listed company and is required to submit a report of its significant business activities in accordance with Article 161 of the Financial Investment Services and Capital Markets Act. Also as a holding company, SK Holdings is required to report key management activities of its subsidiaries in accordance with Article 8 of KOSPI Market Disclosure Regulation.

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The rule is applicable to subsidiaries whose book value of the holding company's shareholding exceeds 10% of their total assets based on the financial statements as of September 30, 2015. SK Innovation Co., Ltd. and SK Telecom Co., Ltd. are two such subsidiaries.

**2. Matters Relevant to the Largest Shareholder**

As of September 30, 2015, SK Holdings, the company's largest shareholder, held 20,363,452 shares (25.22%) and, including affiliated parties, held 20,364,930 shares (25.22%).

**3. Changes in Shareholdings of the Largest Shareholder**

Changes in shareholdings of the largest shareholder are as follows.

(As of September 30, 2015)

(Unit: in shares and percentages)

Largest Shareholder	Date of the change in the largest shareholder/ Date of change in shareholding	Shares Held	Holding Ratio	Remarks
SK Holdings	January 31, 2012	20,366,290	25.22	Retirement of Bang Hyung Lee, a former officer of an affiliated company (ownership of 200 shares of the Company)
	January 2, 2014	20,367,290	25.22	Shin Won Chey, SKC's Chairman, purchased 1,000 shares
	March 24, 2014	20,368,290	25.23	Shin Won Chey, SKC's Chairman, purchased 1,000 shares
	January 2, 2015	20,364,290	25.22	Shin Won Chey, SKC's Chairman, disposed of 4,000 shares
	March 20, 2015	20,363,803	25.22	Appointment of CEO Dong Hyun Jang (ownership of 251 shares of the Company), Retirement of Sung Min Ha
	June 9, 2015	20,365,006	25.22	Purchase through the Share Exchange between SK Broadband and SK Telecom (Shin Won Chey, SKC's Chairman, purchased 1,067 shares, and Myung Hyun Cho, SK Broadband's independent director, purchased 136 shares)
	August 3, 2015	20,364,930	25.22	Myung Hyun Cho, SK Broadband's independent director, disposed of 76 shares

\* Shares held are the sum of shares held by SK Holdings and its related parties.

## 4. Distribution of Shares

## A. Shareholders with ownership of 5% or more and others

(Unit: in shares and percentages)  
Common share

Rank	Name (title)	Number of shares	Ownership ratio	Remarks
1	Citibank ADR	9,974,658	12.35	As of June 30, 2015
2	SK Holdings	20,363,452	25.22	As of September 30, 2015
3	SK Telecom	8,116,551	10.05	As of September 30, 2015, Treasury shares
4	National Pension Service	6,560,727	8.13	As of August 21, 2015
	Shareholdings under the Employee Stock Ownership Program	67	0.00	As of September 30, 2015

**Table of Contents****B. Shareholder Distribution**

(As of June 30, 2015)

(Unit: in shares and percentages)

Classification	Number of shareholders	Ratio (%)	Number of shares	Ratio (%)	Remarks
Total minority shareholders*	56,778	99.87%	34,906,951	43.23%	

\* Defined as shareholders whose shareholding is less than a hundredth of the total issued and outstanding shares.

**5. Share Price and Trading Volume in the Last Six Months****A. Domestic Securities Market**

(Unit: in Won and shares)

Types	September 2015	August 2015	July 2015	June 2015	May 2015	April 2015
<b>Common stock</b>						
<b>Highest</b>	263,000	258,000	257,000	262,500	281,500	293,500
<b>Lowest</b>	241,000	238,000	237,000	240,500	246,500	262,500
<b>Monthly transaction volume</b>	3,739,852	4,385,257	3,564,039	3,727,042	4,782,569	4,506,099

**B. Foreign Securities Market**

New York Stock Exchange

(Unit: in U.S. dollars and number of American Depositary Receipts)

Types	September 2015	August 2015	July 2015	June 2015	May 2015	April 2015
<b>Depository Receipt</b>						
<b>Highest</b>	24.47	24.46	25.22	26.00	29.61	30.07
<b>Lowest</b>	22.51	22.08	22.55	23.96	24.44	26.49
<b>Monthly transaction volume</b>	12,084,913	9,995,140	10,941,676	11,842,065	13,521,822	12,349,916

**Table of Contents****VIII. EMPLOYEES AND DIRECTORS****1. Employees**

(As of September 30, 2015)

(Unit: in persons and millions of Won)

Classification	Number of employees			Total	Average service year	Aggregate wage for the year 2015	Average wage per person	Remarks
	Regular employees	Contract employees	Others					
Male	3,423	75		3,498	12.7	289,889	81	
Female	487	57		544	9.9	32,730	57	
Total	3,910	132		4,042	12.3	322,619	78	

\* Based on Section 9-1-2 (Employee Status) of the Corporate Disclosure Guidelines (amended as of February 2015).

\* Average wage per person was calculated based on the average number of employees for the nine months ended September 30, 2015 (Total: 4,148, Male: 3,574 Female: 574)

**2. Compensation of Directors****A. Amount Approved at the Shareholders Meeting**

Classification	Number of Directors	(Unit: in millions of Won)	
		Aggregate Amount Approved	Average Amount Paid Per Director
Directors	6	12,000	

**B. Amount Paid**

(As of September 30, 2015)

(Unit: in millions of Won)

Classification	Number of Directors*	Aggregate Amount Paid	Average Amount Paid Per Director
Insider Directors	4	2,098	525
Independent Directors	2	101	51
Audit Committee Members	2	152	51
Total	9	2,351	

**3. Individual Compensation of Directors**

**A. Amount Paid**

(As of September 30, 2015)

(Unit: in millions of Won)

<b>Name</b>	<b>Title</b>	<b>Aggregate Amount Paid</b>
Sung Min Ha	Chief Executive Officer and President	716
Dong Seob Jee	Head of Strategy & Planning Office	527

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**B. Method of Calculation**

Name	Method of calculation
Sung Min Ha	<u>Total remuneration</u>

Won 716 million (consisting of Won 163 million in salary and Won 553 million in bonus).

Did not receive any other income or retirement income.

Salary

Annual salary is set within the executive compensation limit established by the board of directors and reflects the relevant position of the director.

Annual salary is equally divided and paid on a monthly basis.

Bonus

Bonus is awarded based on performance in the previous year and is composed of target incentive payments and profit sharing payments.

Bonus in the range of 0 to 200% of annual salary may be awarded by evaluating the previous year's performance through certain financial indicators, such as revenue and operating profit, and non-financial indicators, such as leadership, meeting the Company's strategy plans, expertise and other contributions.

Financial indicators: For the year ended December 31, 2014, the Company met its financial targets with revenue of Won 17.2 trillion and operating profit of Won 1.8 trillion.

Non-financial indicators: Mr. Ha contributed to the Company's market leadership position despite intensified competition in the industry (maintaining number one position in the industry by National Customer Satisfaction Index for the previous 17 years and being first to commercialize L3 technology globally) and enhanced mid-to-long term sustainability by establishing the foundation of its growth business areas of solutions, IPTV and healthcare.



Dong Seob Jee Total remuneration

Won 527 million (consisting of Won 82 million in salary, Won 441 million in bonus and Won 4 million in other income).

Did not receive any retirement income.

Salary

Annual salary is set within the executive compensation limit established by the board of directors and reflects the relevant position of the director.

Annual salary is equally divided and paid on a monthly basis.

Bonus

Bonus is awarded based on performance in the previous year and is composed of target incentive payments and profit sharing payments.

Bonus in the range of 0 to 200% of annual salary may be awarded by evaluating the previous year's performance through certain financial indicators, such as revenue and operating profit, and non-financial indicators, such as leadership, meeting the Company's strategy plans, expertise and other contributions.

Financial indicators: For the year ended December 31, 2014, the Company met its financial targets with revenue of Won 17.2 trillion and operating profit of Won 1.8 trillion.

Non-financial indicators: Mr. Jee contributed to increasing the Company's corporate value by changing the market perception of the Company to be more positive.

Other income

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Other income consists of payment of medical expenses and tuition in accordance with the Company's guidelines.

**Table of Contents****IX. RELATED PARTY TRANSACTIONS****1. Line of Credit Extended to the Largest Shareholder**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
SK Wyverns	Affiliate	Long-term and short-term loans	1,221			1,221		

**2. Transfer of Assets to/from the Largest Shareholder and Other Transactions****A. Investment and Disposition of Investment**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Investment	Transaction date	Base date	Transaction items	Transaction amount

**B. Acquisition and Sale of Securities**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Investment	Transaction date	Base date	Transaction items	Transaction amount
SK Planet	Affiliate	Property dividends	September 30, 2015		Registered common shares	140,834

**C. Transfer of Assets**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Transferred Assets	Purpose of Transfer	Date of Transfer	Purchase Price	Sale Price	Remarks
SK Broadband	Affiliate	Vehicles and transportation equipment	Disposition of assets	March 17, 2015		32	
SK Planet	Affiliate	Machinery and equipment	Disposition of assets	March 31, 2015		1	
PS&Marketing	Affiliate	Vehicles, computer software and trademark rights	Transfer of Business	April 30, 2015		152	
SK Innovation	Affiliate	Incidental expenses for the acquisition of aircraft	Disposition of assets	July 31, 2015		1,743	
SK Telesys	Affiliate	Machinery and equipment	Disposition of assets	July 29, 2015		21	
Total						1,949	



**Table of Contents****D. Transfer of Business**

None.

**3. Transactions with the Largest Shareholder**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Investment	Transaction period	Transaction items	Transaction amount
PS&Marketing	Affiliate	Sales/Purchases	January 1, 2015 to September 30, 2015	Marketing commissions, etc.	596,959
SK Broadband	Affiliate	Sales/Purchases	January 1, 2015 to September 30, 2015	Interconnection revenues, etc.	527,334
SK Planet	Affiliate	Sales/Purchases	January 1, 2015 to September 30, 2015	Contents usage fees, etc.	504,872

**4. Related Party Transactions**

See note 34 of the notes to our consolidated financial statements attached hereto for more information regarding related party transactions.

**5. Related Party Transactions (excluding Transactions with the Largest Shareholder and Related Persons)****A. Provisional Payment and Loans (including loans on marketable securities)**

(Unit: in millions of Won)

Name (Corporate name)	Relationship	Account category	Beginning	Change details		Ending	Accrued interest	Remarks
				Increase	Decrease			
Baekmajang and others	Agency	Long-term and short-term loans	82,739	296,601	(336,856)	42,484		
Daehan Kanggun BCN Inc.	Investee	Long-term loans	22,147			22,147		
Wave City Development, Inc.	Investee	Short-term loans	1,200	500		1,700		

**Table of Contents****X. OTHER INFORMATION RELATING TO THE PROTECTION OF INVESTORS****1. Developments in the Items Mentioned in Prior Reports on Important Business Matters****A. Status and Progress of Major Management Events**

<b>Date</b>	<b>Resolution</b>	<b>Description</b>	<b>Status</b>
		1. Expected acquisition: 2,020,000 common shares	The Company is currently in the process of purchasing treasury shares and plans to report the results of the acquisition without delay once the planned purchase of treasury shares is complete
		2. Expected acquisition cost: Won 523.2 billion	
September 24, 2015	Acquisition of treasury shares	3. Expected acquisition period: September 25, 2015-December 24, 2015	
		4. Purpose of acquisition: To raise shareholder value through stabilization of stock price	
		1. Issuing company: CJ HelloVision, Co., Ltd.	
		2. Expected acquisition: 23,234,060 common shares (30.0%)	
November 2, 2015	Acquisition of other company shares and investment securities	3. Amount to be paid: Won 500 billion	The expected acquisition date is April 4, 2016, subject to change depending on when the closing conditions are met, including obtaining approval from the relevant authorities
		4. Acquisition Method: cash	
		5. Purpose of acquisition: To secure position as the next generation media platform provider through merger with subsidiary SK Broadband	

**B. Summary Minutes of the General Meeting of Shareholders**

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Date	Agenda	Resolution
27th Fiscal Year Meeting of Shareholders  (March 11, 2011)		Approved (Cash dividend, Won 8,400 per share)
		Approved
	1. Approval of the financial statements for the year ended December 31, 2010	Approved (Won 12 billion)
	2. Approval of Remuneration Limit for Directors	
	3. Amendment to Company Regulation on Executive Compensation	
	4. Election of directors	
		Approved (Sung Min Ha, Jin Woo So)
	Election of inside directors	
		Approved (Rak Young Uhm, Jay Young Chung, Jae Ho Cho)
	Election of independent directors	
		Approved (Jay Young Chung, Jae Ho Cho)
	Election of independent directors as Audit Committee members	
1st Extraordinary Meeting of Shareholders of 2011  (August 31, 2011)	1. Approval of the Spin-off Plan	Approved (Spin-off of SK Planet)
	2. Election of director	Approved (Jun Ho Kim)
28th Fiscal Year Meeting of Shareholders  (March 23, 2012)	1. Approval of the financial statements for the year ended December 31, 2011	Approved (Cash dividend, Won 8,400 per share)
	2. Amendment to Articles of Incorporation	

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- |  |                           |
|--|---------------------------|
| 3. Election of directors   | Approved                  |
| Election of an inside director                                   |                           |
| Election of an inside director                                   | Approved (Young Tae Kim)  |
| Election of an independent director                              | Approved (Dong Seob Jee)  |
| 4. Election of an independent director as Audit Committee member | Approved (Hyun Chin Lim)  |
| 5. Approval of remuneration limit for directors                  | Approved (Hyun Chin Lim)  |
|  | Approved (Won 12 billion) |



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Date	Agenda	Resolution
		Approved (Cash dividend, Won 8,400 per share)
		Approved
	1. Approval of the financial statements for the year ended December 31, 2012	
29th Fiscal Year Meeting of Shareholders	2. Amendments to Articles of Incorporation	Approved (Dae Sik Cho)
(March 22, 2013)	3. Election of directors	
	Election of an inside director	Approved (Dae Shick Oh)
	Election of an independent director	Approved (Dae Shick Oh)
	4. Election of an independent director as Audit Committee member	
	5. Approval of remuneration limit for directors	Approved (Won 12 billion)
30th Fiscal Year Meeting of Shareholders	1. Approval of the financial statements for the year ended December 31, 2013	Approved (Cash dividend, Won 8,400 per share)
(March 21, 2014)	2. Amendments to Articles of Incorporation	
	3. Election of directors	Approved

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Election of an inside director

Election of an independent director

Approved (Sung Min Ha)

Election of an independent director

Approved (Jay Young Chung)

Election of an independent director

Approved (Jae Hoon Lee)

4. Election of an independent director as Audit Committee member

Approved (Jae Hyeon Ahn)

5. Approval of remuneration limit for directors

Approved (Jae Hyeon Ahn)

Approved (Won 12 billion)

31st Fiscal Year Meeting of Shareholders

1. Approval of the financial statements for the year ended December 31, 2014

Approved (Cash dividend, Won 8,400 per share)

(March 20, 2015)

2. Amendments to Articles of Incorporation

3. Election of directors

Approved

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Election of an inside director

Approved (Dong Hyun Jang)

4. Election of an independent director as Audit Committee member

Approved (Jae Hoon Lee)

5. Approval of remuneration limit for directors

Approved (Won 12 billion)

### **2. Contingent Liabilities** **[SK Telecom]**

#### **A. Material Legal Proceedings**

(1) Claim for copyright license fees regarding Coloring services

On May 7, 2010, Korea Music Copyright Association ( KOMCA ) filed a lawsuit with the court demanding that the Company pay KOMCA license fees for the Company's Coloring services. The court rendered a judgment against the Company ordering the Company to pay Won 570 million to KOMCA, which was affirmed by the appellate court on October 26, 2011. The Company filed an appeal at the Supreme Court of Korea and the judgment was overturned on July 11, 2013. The case was remanded down to the appellate court which ruled in favor of the Company on September 4, 2014. KOMCA filed an appeal at the Supreme Court of Korea, and on January 15, 2015, the Supreme Court of Korea affirmed the Seoul High Court's decision. There is no impact on the Company's business or results of operation as the final outcome of this litigation has been rendered in favor of the Company.

#### **B. Other Matters**

None.

**Table of Contents****[SK Broadband]****A. Material Legal Proceedings**

## (1) SK Broadband as the plaintiff

(Unit: in thousands of Won)

Description of Proceedings	Date of Commencement of Proceedings	Amount of Claim	Status
Dispute to dismiss an order to compensate for damages	October 2014	715,121	Pending before appellate court
Others		254,058	
<b>Total</b>		<b>969,179</b>	

## (2) SK Broadband as the defendant

(Unit: in thousands of Won)

Description of Proceedings	Date of Commencement of Proceedings	Amount of Claim	Status
Damages claim by Haein Networks Co., Ltd.	March 2013	101,000	Pending before district court
Damages claim by Mag Telecom Co., Ltd. and others	January 2012	606,000	Pending before district court
Damages claim by GT Com Co., Ltd.	March 2014	101,000	Pending before district court
Others		190,923	
<b>Total</b>		<b>998,923</b>	

The Company does not believe that the outcome of any of the proceedings in which SK Broadband is named as a defendant will have a material effect on the Company's financial statements.

**B. Other Contingent Liabilities**

## (1) Pledged assets and covenants

SK Broadband, upon approval by its board of directors, has provided guarantees for financial instruments amounting to Won 1.2 billion to support employees' funding for the Employee Stock Ownership Program.

Additionally, SK Broadband has provided geun mortgage amounting to Won 14.6 billion to others, including Ilsan Guksa, on a part of its buildings in connection with the leasing of the buildings.

Seoul Guarantee Insurance Company has provided a performance guarantee of Won 18.1 billion to SK Broadband in connection with the performance of certain contracts and the repair of any defects.

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SK Broadband has entered into revolving credit facilities with a limit of Won 100 billion with Shinhan Bank and one other financial institution in relation to the Company's loans.

**[SK Planet]**

### **A. Material Legal Proceedings**

As of September 30, 2015, there were seven pending cases proceeding with SK Planet as the defendant and the aggregate amount of the claim was Won 54.8 million. The management cannot reasonably forecast the outcome of this case and no amount in connection with this proceeding was recognized on the Company's financial statements.

**Table of Contents****B. Other Contingent Liabilities**

None.

**[SK Communications]****A. Material Legal Proceedings**

As of September 30, 2015, the aggregate amount of claims was Won 1.2 billion. The Company successfully defended some but not all suits relating to a leak of personal information of subscribers of NATE. Relevant proceedings remain pending at various courts in Korea. The management cannot reasonably forecast the outcome of the pending proceedings, and as a result, adjustments were not made in the financial statements of the Company. The Company does not believe that the outcome of any of the proceedings in which SK Communications is named as a defendant will have a material effect on the Company's financial statements.

**B. Other Contingent Liabilities**

The material payment guarantees provided by third parties to SK Communications as of September 30, 2015 are set forth in the table below.

			(Unit: in thousands of Won)
Financial Institution	Guarantee		Amount
Seoul Guarantee Insurance Company	Prepaid coverage payment guarantee		700,000
	Provisional deposit guarantee insurance for bonds		180,000
	Provisional deposit guarantee insurance for bonds		688,000
Total			1,568,000

**[PS&Marketing]****A. Other Contingent Liabilities**

Shinhan Bank has provided a payment guarantee of Won 3 billion for PS&Marketing's purchase of mobile devices from Apple Korea Ltd.

**3. Status of sanctions, etc.****[SK Telecom]**

On March 14, 2012, the Company received a correctional order from the Fair Trade Commission of Korea for an alleged violation of Article 23 of the Fair Trade Act relating to the handset subsidy practice and distribution of handsets and was imposed a fine of Won 21,928 million. The Company filed an administrative proceeding to appeal the order and the Seoul High Court ruled against it on October 29, 2014. The Company appealed the decision, and the case is currently pending before the Supreme Court of Korea.

On February 6, 2012, the Company received three penalty points and was imposed a fine of Won 3 million from the Korea Exchange for a violation of Article 35 of Korea Exchange's disclosure rules. The Company paid the fine and has been taking efforts to prevent a repetitive violation.

On June 21, 2012, the Company received a correctional order from the Korea Communications Commission in connection with its decision on whether the Company had violated regulations related to the safeguarding of location information. The Company completed the improvement of the procedures in consultation with the Korea Communications Commission by December 2012.

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On July 4, 2012, the Fair Trade Commission issued correctional orders and imposed fines on the Company and seven affiliated companies for alleged unfair advantage provided to SK C&C, an affiliated company, in services fees for information technology system management and operation. The Company and SK Planet were imposed fines of Won 25,042 million and Won 1,349 million, respectively. The Company and the seven affiliated companies appealed the orders and on May 14, 2014, won the suit at the Seoul High Court. The Fair Trade Commission appealed the decision, and the case is currently pending before the Supreme Court of Korea.

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On December 24, 2012, the Korea Communications Commission imposed on the Company a fine of Won 6.89 billion, imposed a suspension on acquiring new subscribers from January 31, 2013 to February 21, 2013 and issued a correctional order for providing discriminatory subsidies to subscribers. The Company paid the fine and completed the improvement of the procedures in consultation with the Korea Communications Commission by March 2013.

On January 11, 2013, the Company received a correctional order and a fine of Won 100 million from the Fair Trade Commission of Korea for alleged violation of Article 23 of the Fair Trade Act relating to the Company's transactions with its distribution network. The Company paid the fine by May 10, 2013.

On March 14, 2013, the Korea Communications Commission imposed on the Company a fine of Won 3.14 billion and issued a correctional order in a case for providing discriminatory subsidies to subscribers. The Company paid the fine and completed the improvement of the procedures in consultation with the Korea Communications Commission by April 2013.

On July 18, 2013, the Korea Communications Commission imposed on the Company a fine of Won 36.5 billion and issued a correctional order for providing discriminatory subsidies to subscribers. The Company paid the fine and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by August 2013.

On August 21, 2013, the Company received a correctional order from the Korea Communications Commission in connection with its decision on whether the Company had violated procedural regulations related to terms and conditions of usage. The Company completed the improvement of the procedures in consultation with the Korea Communications Commission by November 2013.

On September 16, 2013, the Company received a correctional order from the Korea Communications Commission in connection with its decision on whether the Company had violated regulations related to wholesale provision of telecommunication services. The Company completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by October 2013.

On November 15, 2013, the Korea Communications Commission imposed a fine of Won 676 million and issued a correctional order for limiting termination of telecommunication services. The Company paid the fine and completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by December 2013.

On December 27, 2013, the Korea Communications Commission imposed on the Company a fine of Won 56.0 billion and issued a correctional order for providing discriminatory subsidies to subscribers. The Company paid the fine and completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by January 2014.

On March 7, 2014, the MSIP imposed a suspension of operations for 45 days for failure to observe the order of the Korea Communications Commission to cease providing discriminatory subsidies to subscribers. The Company suspended its operations during the period between April 5, 2014 and May 19, 2014, and reported to the MSIP on the implementation of actions pursuant to the suspension order by May 2014.

On March 13, 2014, the Korea Communications Commission imposed on the Company a fine of Won 16.65 billion, imposed a suspension on acquiring new customers for 7 days, and issued a correctional order for providing discriminatory subsidies to subscribers. In April 2014, the Company paid the fine and completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by April 2014. The Company suspended acquisition of new customers during the period beginning September 11, 2014 and ending September 17, 2014, and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by September 2014.



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On January 31, 2013, the Seoul Central District Court acquitted Mr. Jae Won Chey, our former director and vice chairman, on all charges against him. On September 27, 2013, the Seoul High Court reversed the acquittal of the above-mentioned former director, sentencing him to a prison term of three and a half years for violating the Act on the Aggravated Punishment, etc. of Specific Economic Crimes. On February 27, 2014, the Supreme Court of Korea affirmed the Seoul High Court's decision. While the court's final decision on the appealed case is not expected to have a material effect on the Company's financial position, investors should note that it is difficult to predict, among others, the market's assessment of such case.

On August 21, 2014, the Korea Communications Commission imposed on the Company a fine of Won 37.1 billion and issued a correctional order for providing discriminatory subsidies to subscribers. The Company paid the fine and completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by September 2014.

On December 4, 2014, the Korea Communications Commission imposed on the Company a fine of Won 800 million and issued a correctional order for violating the Mobile Device Distribution Improvement Act. The Company paid the fine and completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by January 2015.

On March 12, 2015, the Korea Communications Commission imposed on the Company a fine of Won 934 million and issued a correctional order for violating the Mobile Device Distribution Improvement Act with respect to the Company's compensation programs for used handsets. The Company paid the fine and completed the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order by April 2015.

On March 26, 2015, the Korea Communications Commission imposed on the Company a fine of Won 23.5 billion, imposed a suspension on acquiring new customers for seven days, and issued a correctional order for violating the Mobile Device Distribution Improvement Act. The Company paid the fine and implemented the improvement of the procedures and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order in May 2015. The suspension on acquiring new customers was implemented from October 1, 2015 to October 7, 2015.

On May 13, 2015, the Korea Communications Commission imposed on the Company a fine of Won 3.56 billion and issued a correctional order for violating its obligations to protect personal information (a fine of Won 360 million imposed for violation of its obligations to protect personal information and Won 3.2 billion imposed for damaging users' interests). The Company paid the fine in July 2015 and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order in September 2015. Whether the correctional order on the violation of obligations to protect personal information will be enforced depends on the Court's ruling following the Company's filing of an administrative proceeding to appeal the order on June 24, 2015.

On May 28, 2015, the Korea Communications Commission imposed on the Company a fine of Won 350 million and issued a correctional order for damaging users' interests through misleading and exaggerated advertisement of bundled media and telecommunications products. The Company paid the fine in August 2015 and reported to the Korea Communications Commission on the implementation of actions pursuant to the correctional order in October 2015.

### **[SK Broadband]**

- (1) Violation of the Telecommunications Business Act

Date: May 28, 2015

Subject: SK Broadband

Sanction: SK Broadband received a correctional order (corrective measures for damaging users' interests through misleading and exaggerated advertisement of bundled media and telecommunications products).



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Reason and the Relevant Law: Violated Article 50-1 Paragraph 5 of the Telecommunications Business Act and Article 42-1 of its enforcement ordinance by inducing subscribers through misleading and exaggerated advertisements.

Status of Implementation: Established plans to manage distribution network related to the misleading and exaggerated advertisements.

Company's Plan: Make an official announcement about having received the correctional order and improve operational procedures.

(2) Violation of the Act on Consumer Protection in Electronic Commerce

Date: July 11, 2014

Subject: SK Broadband

Sanction: SK Broadband received a correctional order (relating to the failure to notify consumers of information relating to cancellations of purchases) and a fine of Won 1 billion.

Reason and the Relevant Law: Violated Article 13 of the Act on Consumer Protection in Electronic Commerce by not having notified consumers of the procedures for cancellation of purchases for paid IPTV contents.

Status of Implementation: Implemented voluntary improvements to notify consumers of cancellation procedures for such purchase prior to a decision by the Fair Trade Commission.

Company's Plan: Implement the correctional order and pay the fine.

(3) Violation of the Act on Facilitation of the Use of Information Network and Protection of Information

Date: June 16, 2014

Subject: SK Broadband

Sanction: SK Broadband was imposed a fine of Won 3 million.

Reason and the Relevant Law: Violated Articles 59 and 76 of the Act on Facilitation of the Use of Information Network and Protection of Information and Article 76 of the Enforcement Decree of the Act by not having designated proper contacts for the users of telecommunications billing services to raise objections and protect rights and interests of the users and by not having provided the contact information on the Internet or other means of communication.

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Status of Implementation: Paid the fine, designated contact persons for user protection of telecommunications billing services, provided contact information on the Company's website, and paid the fine.

Company's Plan: Designate contact persons for user protection of telecommunications billing services and provide contact information to users.

(4) Violation of the Telecommunication Business Act

Date: August 21, 2013

Subject Company: SK Broadband

Sanction: SK Broadband received a correctional order from the Korea Communications Commission.

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Reason and the Relevant Law: Violation of Article 50, Paragraph 1, Number 5 of the Telecommunications Business Act for use of subscription agreements that omitted certain material terms and conditions pertaining to high-speed Internet usage.

Status of Implementation: Completed revision of subscription agreements to include material terms and conditions pertaining to high-speed Internet usage. Has distributed information sheets on current terms and conditions to new subscribers since November 25, 2013.

Company's Plan: Improve operations including through revision of subscription agreements.

(5) Violation of the Telecommunication Business Act

Date: June 5, 2013

Subject Company: SK Broadband

Sanction: SK Broadband received a correctional order from the Korea Communications Commission.

Reason and the Relevant Law: Improperly delayed cancellations of high-speed Internet subscribers and violated Articles 42 and 50 of the Telecommunication Business Act.

Status of Implementation: Improving operating procedures to stop the prohibited practice due for completion in August, completed amendment of the terms of service and published the sanction in newspapers.

Company's Plan: Improve cancellation procedures to prevent recurrence of the cancellation delays.

(6) Violation of accounting rules

Date: December 13, 2012

Subject Company: SK Broadband

Sanction: SK Broadband was imposed a fine of Won 39 million from the Korea Communications Commission.

Reason and the relevant law: Business report for 2011 violated accounting rules under Article 49 of the Telecommunication Business Act.

Status of Implementation: Paid the fine.

Company's plan: Will improve accounting management system.

(7) Violation of the Telecommunications Business Act

Date: May 18, 2012

Subject Company: SK Broadband

Sanction: SK Broadband received a correctional order and a fine of Won 253 million

Reason and relevant law: Violation of Article 50, Paragraph 1, Number 5 of the Telecommunications Business Act and Article 50, Paragraph 1 of the related Enforcement Decree for offering discounts outside the terms and conditions of the subscription agreement to certain subscribers and thereby discriminating against certain subscribers

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Status of implementation: Paid the fine, ceased the prohibitive practice, disclosed receiving the correctional order in a newspaper advertisement and changed business practice to prevent reoccurrence.

Company's plan: Continuous management of the company's distribution network and improve the company's distribution structure.

(8) Violation of accounting rules

Date: January 20, 2012

Subject Company: SK Broadband

Sanction: SK Broadband was imposed a fine of Won 54 million from the Korea Communications Commission.

Reason and the Relevant Law: Business report for 2010 violated accounting rules under Article 49 of the Telecommunication Business Act.

Status of Implementation: Paid the fine.

Company's Plan: To improve accounting management system.

**[SK Telink]**

(1) Violation of the Telecommunications Business Act

Date: August 21, 2015

Subject: SK Telink

Sanction: SK Telink received a correctional order and a fine of Won 480 million.

Reason and the Relevant Law: Violated Article 50-1, Paragraph 5 and Article 50-2 of the Telecommunications Business Act and Article 42-1 of the related Enforcement Decree by failing to inform or giving false information about key terms of the contract and failing to deliver usage contract

Status of Implementation: Ceased the prohibited practice, disclosed having received the correctional order in a newspaper (October 2015), improved operating procedures related to recruitment of users through phone solicitation calls and paid the fine (October 2015).

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Company's Plan: To accurately inform consumers of key terms of the contract and distribute usage contract by mail after entering into contract.

### **4. Important Matters That Occurred After September 30, 2015** **[SK Telecom]**

On November 2, 2015, the Company's board of directors resolved to acquire shares of CJ HelloVision Co., Ltd. ( CJ HelloVision ), and on the same day, signed a share purchase agreement with CJ O Shopping Co., Ltd. ( CJ O Shopping ). The Company plans to acquire 23,234,060 shares of CJ HelloVision on April 1, 2016. The Company also expects to give CJ O Shopping a put option and receive a call option with respect to all or some of the CJ HelloVision shares that are owned by CJ O Shopping as of April 1, 2016. See the Company's Form 6-K furnished to the U.S. Securities and Exchange Commission ( SEC ) on November 4, 2015 with respect to its decision on acquisition of shares of CJ HelloVision for more information.



**Table of Contents****[SK Broadband]**

On November 2, 2015, the board of directors of SK Broadband approved the merger agreement with CJ HelloVision. SK Broadband will merge with and into CJ HelloVision, such that CJ HelloVision will be the surviving entity and SK Broadband will be the non-surviving entity. SK Telecom will be the largest shareholder of the surviving company with a 75.29% equity stake. The date of the general meeting of shareholders to approve the merger agreement will be January 26, 2016, and the merger date will be April 1, 2016. See the Company's Form 6-K furnished to the SEC on November 4, 2015 with respect to the decision on merger of SK Broadband for more information.

**[SK Communications]**

On September 24, 2015, SK Telecom and SK Planet entered into a stock purchase agreement with respect to the shares of SK Communications such that SK Telecom became the largest shareholder of SK Communications as of October 1, 2015.

**A. Use of Proceeds from Public Offerings**

Not applicable.

**B. Use of Proceeds from Private Offerings**

(As of September 30, 2015)

(Unit: in millions of Won)

<b>Classification</b>	<b>Closing Date</b>	<b>Proceeds</b>	<b>Planned Use of Proceeds</b>	<b>Actual Use of Proceeds</b>	<b>Reasons for Change</b>
Convertible Bonds*	April 7, 2009	437,673	Refinancing of convertible bonds issued in May 2004	Refinancing and working capital	

\* In 2013, holders exercised their conversion rights with respect to an aggregate principal amount of US\$326,023,000 of the convertible notes. The Company delivered 1,241,337 treasury shares in respect of US\$170,223,000 of the exercised aggregate principal amount and delivered cash in respect of the remainder due to the limit on foreign ownership. In connection with such conversion, the Company recognized Won 135.1 billion in financial expenses in 2013. On November 13, 2013, the Company exercised its early redemption right and on December 13, 2013, redeemed the US\$6,505,000 principal amount of convertible notes not converted by noteholders.

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**SK TELECOM CO., LTD. AND SUBSIDIARIES**

Condensed Consolidated Interim Financial Statements

(Unaudited)

**September 30, 2015 and 2014**

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To The Board of Directors and Shareholders

SK Telecom Co., Ltd.:

### **Reviewed financial statements**

We have reviewed the accompanying condensed consolidated interim financial statements of SK Telecom Co., Ltd. and its subsidiaries (the Group), which comprise the condensed consolidated statement of financial position as of September 30, 2015, the related condensed consolidated statements of income and comprehensive income for the three and nine-month periods ended September 30, 2015 and 2014, the condensed consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2015 and 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards (K-IFRS) No.1034 Interim Financial Reporting, and for such internal controls as management determines necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not prepared fairly, in all material respects, in accordance with K-IFRS No.1034 Interim Financial Reporting.

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**Other matters**

The consolidated statement of financial position of the Group as of December 31, 2014, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon, dated February 23, 2015, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position of the Group as of December 31, 2014, presented for comparative purposes, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries.

KPMG Samjong Accounting Corp.

Seoul, Korea

November 6, 2015

This report is effective as of November 6, 2015, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Financial Position

As of September 30, 2015 and December 31, 2014

<i>(In millions of won)</i>	Note	September 30, 2015	December 31, 2014
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	32,33	1,263,748	834,429
Short-term financial instruments	5,32,33,34,35	289,758	313,068
Short-term investment securities	8,32,33	137,246	280,161
Accounts receivable - trade, net	6,32,33,34	2,555,497	2,392,150
Short-term loans, net	6,32,33,34	40,195	74,512
Accounts receivable - other, net	6,32,33,34	725,728	690,527
Prepaid expenses		154,324	134,404
Inventories, net	7	271,995	267,667
Assets classified as held for sale	9	14,020	10,510
Advanced payments and other	6,8,32,33,34	120,750	85,720
<b>Total Current Assets</b>		<b>5,573,261</b>	<b>5,083,148</b>
<b>Non-Current Assets:</b>			
Long-term financial instruments	5,32,33,35	10,627	631
Long-term investment securities	8,32,33	1,135,057	956,280
Investments in associates and joint ventures	11	6,771,515	6,298,088
Property and equipment, net	12,34,35	10,170,550	10,567,701
Investment property, net	13	15,130	14,997
Goodwill	14	1,932,658	1,917,595
Intangible assets, net	15	2,199,204	2,483,994
Long-term loans, net	6,32,33,34	62,724	55,728
Long-term accounts receivable - other	6,32,33	2,388	3,596
Long-term prepaid expenses	35	63,729	51,961
Guarantee deposits	5,6,32,33,34	301,807	285,144
Long-term derivative financial assets	21,32,33	195,265	70,035
Deferred tax assets	30	23,649	25,083
Other non-current assets	6,32,33	101,156	127,252
<b>Total Non-Current Assets</b>		<b>22,985,459</b>	<b>22,858,085</b>
<b>Total Assets</b>		<b>28,558,720</b>	<b>27,941,233</b>

*See accompanying notes to the condensed consolidated interim financial statements.*

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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Financial Position, Continued

As of September 30, 2015 and December 31, 2014

<i>(In millions of won)</i>	Note	September 30, 2015	December 31, 2014
<b>Liabilities and Equity</b>			
<b>Current Liabilities:</b>			
Short-term borrowings	16,32,33	395,000	366,600
Current installments of debentures and long-term borrowings, net	16,32,33	730,118	590,714
Current installments of finance lease liabilities	19,32,33	687	3,804
Current installments of long-term payables - other	17,32,33	119,566	189,389
Accounts payable - trade	32,33,34	334,438	275,495
Accounts payable - other	32,33,34	978,921	1,381,850
Withholdings	32,33,34	1,073,877	1,053,063
Accrued expenses	32,33	877,909	952,418
Income tax payable	30	319,668	99,236
Unearned revenue		237,529	327,003
Provisions	18	38,406	51,075
Advanced receipts		127,679	129,255
Liabilities classified as held for sale	9		408
Other current liabilities		90	
<b>Total Current Liabilities</b>		<b>5,233,888</b>	<b>5,420,310</b>
<b>Non-Current Liabilities:</b>			
Debentures, excluding current installments, net	16,32,33	6,168,839	5,649,158
Long-term borrowings, excluding current installments	16,32,33	134,832	149,720
Long-term payables - other	17,32,33	579,888	684,567
Long-term unearned revenue		3,106	19,659
Finance lease liabilities	19,32,33		26
Defined benefit liabilities	20	143,273	91,587
Long-term derivative financial liabilities	21,32,33	85,456	130,889
Long-term provisions	18	27,691	36,013
Deferred tax liabilities	30	482,657	444,211
Other non-current liabilities	32,33	65,320	66,823
<b>Total Non-Current Liabilities</b>		<b>7,691,062</b>	<b>7,272,653</b>
<b>Total Liabilities</b>		<b>12,924,950</b>	<b>12,692,963</b>
<b>Equity</b>			
Share capital	1,22	44,639	44,639
Capital surplus and other capital adjustments	22,23,24	676,234	277,998
Retained earnings	25	14,726,953	14,188,591
Reserves	26	55,721	(4,489)
<b>Equity attributable to owners of the Parent Company</b>		<b>15,503,547</b>	<b>14,506,739</b>
<b>Non-controlling interests</b>		<b>130,223</b>	<b>741,531</b>
<b>Total Equity</b>		<b>15,633,770</b>	<b>15,248,270</b>

<b>Total Liabilities and Equity</b>	<b>28,558,720</b>	<b>27,941,233</b>
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*See accompanying notes to the condensed consolidated interim financial statements.*



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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Income

For the three and nine-month periods ended September 30, 2015 and 2014

*(In millions of won except for per share data)*

	Note	September 30, 2015		September 30, 2014	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
<b>Operating revenue:</b>	<b>4,34</b>				
Revenue		4,261,360	12,757,385	4,367,484	12,874,772
<b>Operating expense:</b>	<b>34</b>				
Labor cost		426,408	1,445,270	411,219	1,241,495
Commissions paid		1,274,460	3,883,758	1,326,710	4,318,663
Depreciation and amortization	4	719,126	2,115,573	672,349	1,996,612
Network interconnection		236,009	710,118	286,279	842,812
Leased line		97,257	293,647	101,762	309,099
Advertising		92,928	290,366	104,843	290,076
Rent		125,224	364,712	118,240	340,816
Cost of products that have been resold		477,432	1,418,282	474,058	1,203,712
Other operating expenses	27	321,888	929,505	335,462	996,435
		3,770,732	11,451,231	3,830,922	11,539,720
<b>Operating income</b>	<b>4</b>	<b>490,628</b>	<b>1,306,154</b>	<b>536,562</b>	<b>1,335,052</b>
Finance income	4,29	31,813	93,115	38,391	88,191
Finance costs	4,29	(88,242)	(259,282)	(101,490)	(275,827)
Gains relating to investments in subsidiaries, associates and joint ventures, net	1,4,11	173,955	626,278	272,144	566,846
Other non-operating income	4,28	4,643	20,006	10,637	47,211
Other non-operating expenses	4,28	(57,955)	(155,824)	(90,485)	(155,131)
<b>Profit before income tax</b>	<b>4</b>	<b>554,842</b>	<b>1,630,447</b>	<b>665,759</b>	<b>1,606,342</b>
Income tax expense	30	173,045	408,015	134,757	310,392
<b>Profit for the period</b>		<b>381,797</b>	<b>1,222,432</b>	<b>531,002</b>	<b>1,295,950</b>
Attributable to:					
Owners of the Parent Company		382,251	1,222,585	531,548	1,299,898
Non-controlling interests		(454)	(153)	(546)	(3,948)
<b>Earnings per share</b>	<b>31</b>				
Basic earnings per share (in won)		5,263	16,949	7,493	18,206
Diluted earnings per share (in won)		5,263	16,949	7,493	18,206

*See accompanying notes to the condensed consolidated interim financial statements.*

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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income

For the three and nine-month periods ended September 30, 2015 and 2014

*(In millions of won)*

		September 30, 2015		September 30, 2014	
	Note	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
<b>Profit for the period</b>		<b>381,797</b>	<b>1,222,432</b>	<b>531,002</b>	<b>1,295,950</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that will never be reclassified to profit or loss, net of taxes:</b>					
Remeasurement of defined benefit liabilities	20	(4,472)	(7,564)	1,379	(10,615)
<b>Items that are or may be reclassified subsequently to profit or loss, net of taxes:</b>					
Net change in unrealized fair value of available-for-sale financial assets	26	(62,971)	(9,923)	68,063	67,526
Net change in other comprehensive income of investments in associates and joint ventures	26	24,463	52,343	28,157	(25,312)
Net change in unrealized fair value of derivatives	21,26	5,427	(15,246)	(21,589)	(40,402)
Foreign currency translations differences for foreign operations	26	30,790	40,208	(7,855)	(18,271)
<b>Other comprehensive income (loss) for the period, net of taxes</b>		<b>(6,763)</b>	<b>59,818</b>	<b>68,155</b>	<b>(27,074)</b>
<b>Total comprehensive income</b>		<b>375,034</b>	<b>1,282,250</b>	<b>599,157</b>	<b>1,268,876</b>
Total comprehensive income attributable to:					
Owners of the Parent Company		374,872	1,279,604	601,745	1,276,364
Non-controlling interests		162	2,646	(2,588)	(7,488)

*See accompanying notes to the condensed consolidated interim financial statements.*

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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2015 and 2014

*(In millions of won)*

	Controlling Interest				Sub-total	Non-controlling interests	Total equity
	Share capital	Capital surplus (deficit) and other capital adjustments	Retained earnings	Reserves			
<b>Balance, January 1, 2014</b>	<b>44,639</b>	<b>317,508</b>	<b>13,102,495</b>	<b>(12,270)</b>	<b>13,452,372</b>	<b>714,185</b>	<b>14,166,557</b>
Cash dividends			(666,802)		(666,802)	(170)	(666,972)
Total comprehensive income							
Profit (loss) for the period			1,299,898		1,299,898	(3,948)	1,295,950
Other comprehensive loss			(10,783)	(12,751)	(23,534)	(3,540)	(27,074)
			1,239,115	(12,751)	1,276,364	(7,488)	1,268,876
Interest on hybrid bond			(8,420)		(8,420)		(8,420)
Changes in consolidation scope						12,675	12,675
Business combination under common control		(28,641)			(28,641)		(28,641)
Changes in ownership in subsidiaries		(141)			(141)	141	
<b>Balance, September 30, 2014</b>	<b>44,639</b>	<b>288,726</b>	<b>13,716,388</b>	<b>(25,021)</b>	<b>14,024,732</b>	<b>719,343</b>	<b>14,744,075</b>
<b>Balance, January 1, 2015</b>	<b>44,639</b>	<b>277,998</b>	<b>14,188,591</b>	<b>(4,489)</b>	<b>14,506,739</b>	<b>741,531</b>	<b>15,248,270</b>
Cash dividends			(668,494)		(668,494)	(143)	(668,637)
Total comprehensive income							
Profit (loss) for the period			1,222,585		1,222,585	(153)	1,222,432
Other comprehensive income (loss)			(6,477)	63,496	57,019	2,799	59,818
			1,216,108	63,496	1,279,604	2,646	1,282,250
Interest on hybrid bond			(8,420)		(8,420)		(8,420)
Treasury stock		425,744			425,744		425,744
Changes in consolidation scope						(5,226)	(5,226)
Changes in ownership in subsidiaries		(27,508)	(832)	(3,286)	(31,626)	(608,585)	(640,211)
<b>Balance, September 30, 2015</b>	<b>44,639</b>	<b>676,234</b>	<b>14,726,953</b>	<b>55,721</b>	<b>15,503,547</b>	<b>130,223</b>	<b>15,633,770</b>

*See accompanying notes to the condensed consolidated interim financial statements.*

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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2015 and 2014

<i>(In millions of won)</i>	Note	September 30, 2015	September 30, 2014
<b>Cash flows from operating activities:</b>			
Cash generated from operating activities			
Profit for the period		1,222,432	1,295,950
Adjustments for income and expenses	36	2,361,343	2,225,622
Changes in assets and liabilities related to operating activities	36	(693,307)	(891,768)
Sub-total		2,890,468	2,629,804
Interest received		32,386	37,886
Dividends received		62,231	13,048
Interest paid		(202,508)	(198,785)
Income tax paid		(138,634)	(182,186)
<b>Net cash provided by operating activities</b>		<b>2,643,943</b>	<b>2,299,767</b>
<b>Cash flows from investing activities:</b>			
Cash inflows from investing activities:			
Decrease in short-term financial instruments, net		16,366	18,956
Decrease in short-term investment securities, net		60,158	15,243
Collection of short-term loans		343,472	132,965
Decrease in long-term financial instruments		6,764	11
Proceeds from disposal of long-term investment securities		118,199	51,839
Proceeds from disposal of investments in associates and joint ventures		187,791	6,645
Proceeds from disposal of property and equipment		26,612	19,377
Proceeds from disposal of intangible assets		2,005	8,275
Proceeds from disposal of assets held for sale		1,007	1,056
Collection of long-term loans		1,772	3,437
Decrease in deposits		13,670	8,247
Proceeds from disposal of other non-current assets		2,783	71
Increase in cash due to acquisition of a subsidiary		10,148	
Sub-total		790,747	266,122
Cash outflows for investing activities:			
Increase in short-term loans		(302,676)	(130,803)
Increase in long-term loans		(15,706)	(3,148)
Increase in long-term financial instruments		(10,007)	(2,522)
Acquisition of long-term investment securities		(214,458)	(28,294)
Acquisition of investments in associates and joint ventures		(47,825)	(40,264)
Acquisition of property and equipment		(1,724,586)	(2,113,393)
Acquisition of intangible assets		(61,098)	(65,856)
Increase in deposits		(11,247)	(2,643)
Increase in other non-current assets			(1,835)
Acquisition of business, net of cash acquired		(13,957)	(158,228)
Sub-total		(2,401,560)	(2,546,986)
<b>Net cash used in investing activities</b>		<b>(1,610,813)</b>	<b>(2,280,864)</b>

*See accompanying notes to the condensed consolidated interim financial statements.*

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SK TELECOM CO., LTD. and Subsidiaries

Condensed Consolidated Statements of Cash Flows, Continued

For the nine-month periods ended September 30, 2015 and 2014

<i>(In millions of won)</i>	September 30, 2015	September 30, 2014
<b>Cash flows from financing activities:</b>		
Cash inflows from financing activities:		
Proceeds from short-term borrowings, net	28,400	523,600
Proceeds from issuance of debentures	946,330	757,459
Proceeds from long-term borrowings		52,552
Cash inflows from settlement of derivatives	361	119
<b>Sub-total</b>	<b>975,091</b>	<b>1,333,730</b>
Cash outflows for financing activities:		
Repayments of long-term account payables-other	(191,018)	(207,693)
Repayments of debentures	(480,000)	(506,149)
Repayments of long-term borrowings	(13,489)	(14,109)
Cash outflows from settlement of derivatives	(475)	(556)
Payments of finance lease liabilities	(2,698)	(14,828)
Payments of dividends	(668,494)	(666,802)
Payments of interest on hybrid bond	(8,420)	(8,420)
Decrease in cash from the consolidated capital transaction	(218,178)	
<b>Sub-total</b>	<b>(1,582,772)</b>	<b>(1,418,557)</b>
<b>Net cash used in financing activities</b>	<b>(607,681)</b>	<b>(84,827)</b>
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>425,449</b>	<b>(65,924)</b>
Cash and cash equivalents at beginning of the period	834,429	1,398,639
Effects of exchange rate changes on cash and cash equivalents	3,870	(96)
<b>Cash and cash equivalents at end of the period</b>	<b>1,263,748</b>	<b>1,332,619</b>

*See accompanying notes to the condensed consolidated interim financial statements.*

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity****(1) General**

SK Telecom Co., Ltd. ( the Parent Company ) was incorporated in March 1984 under the laws of the Republic of Korea ( Korea ) to engage in providing cellular telephone communication services in Korea. The Parent Company mainly provides wireless telecommunications in Korea. The Parent Company s common shares and depositary receipts (DRs) are listed on the Stock Market of Korea Exchange, the New York Stock Exchange and the London Stock Exchange. As of September 30, 2015, the Parent Company s total issued shares are held by the following:

	Number of shares	Percentage of total shares issued (%)
SK Holdings Co., Ltd.(*)	20,363,452	25.22
National Pension Service, other institutional investors and other minority stockholders	52,265,708	64.73
Treasury stock	8,116,551	10.05
Total number of shares	80,745,711	100.00

(\* ) During the nine-month period ended September 30, 2015, SK C&C Co., Ltd., the ultimate controlling entity s investee accounted using the equity method, merged SK Holdings Co., Ltd. , the ultimate controlling entity of the Parent Company, and changed its name to SK Holdings Co., Ltd.

These condensed consolidated interim financial statements comprise the Parent Company and its subsidiaries (together referred to as the Group and individuals as Group entities ). SK Holdings Co., Ltd. is the ultimate controlling entity of the Parent Company.

**(2) List of subsidiaries**

The list of subsidiaries as of September 30, 2015 and December 31, 2014 is as follows:

Subsidiary	Location	Primary business	Ownership (%)	
			September 30, 2015	December 31, 2014
SK Telink Co., Ltd.	Korea	Telecommunication and MVNO service	83.5	83.5
M&Service Co., Ltd.	Korea	Data base and internet website service	100.0	100.0
SK Communications Co., Ltd.	Korea	Internet website services	64.6	64.6
Stonebridge Cinema Fund	Korea	Investment association	55.2	56.0
Commerce Planet Co., Ltd.	Korea	Online shopping mall operation agency	100.0	100.0
SK Broadband Co., Ltd.(*1)	Korea	Telecommunication services	100.0	50.6
K-net Culture and Contents Venture Fund	Korea	Investment association	59.0	59.0
Fitech Focus Limited Partnership II	Korea	Investment association	66.7	66.7

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Open Innovation Fund	Korea	Investment association	98.9	98.9
PS&Marketing Corporation	Korea	Communications device retail business	100.0	100.0
Service Ace Co., Ltd.	Korea	Customer center management service	100.0	100.0
Service Top Co., Ltd.	Korea	Customer center management service	100.0	100.0



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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

(2) List of subsidiaries, Continued

The list of subsidiaries as of September 30, 2015 and December 31, 2014 is as follows, Continued:

Subsidiary	Location	Primary business	Ownership (%)	
			September 30, 2015	December 31, 2014
Network O&S Co., Ltd.	Korea	Base station maintenance service	100.0	100.0
BNCP Co., Ltd.	Korea	Internet website services	100.0	100.0
Iconcube Holdings, Inc.	Korea	Investment association	100.0	100.0
Iconcube, Inc.	Korea	Internet website services	100.0	100.0
SK Planet Co., Ltd.	Korea	Telecommunication service	100.0	100.0
Neosnetworks Co.,Ltd.(*2)	Korea	Guarding of facilities	83.9	66.7
IRIVER LIMITED(*3)		Manufacturing digital audio players and		
	Korea	other portable media devices.	49.0	49.0
Iriver CS Co., Ltd.(*4)	Korea	After-sales service and logistics agency		100.0
iriver Enterprise Ltd.	Hong Kong	Management of Chinese subsidiary	100.0	100.0
iriver America Inc.	USA	Marketing and sales in North America	100.0	100.0
iriver Inc.	USA	Marketing and sales in North America	100.0	100.0
iriver China Co., Ltd.	China	Sales and manufacturing MP3,4 in China	100.0	100.0
Dongguan iriver Electronics Co., Ltd.	China	Sales and manufacturing e-book in China	100.0	100.0
Groovers JP Ltd.(*4)	Japan	Digital music contents sourcing and distribution service	100.0	
SK Telecom China Holdings Co., Ltd.	China	Investment association	100.0	100.0
Shenzhen E-eye High Tech Co., Ltd.(*4)	China	Manufacturing		65.5
SK Global Healthcare Business Group., Ltd.	Hong Kong	Investment association	100.0	100.0
SK Planet Japan, K. K.	Japan	Digital contents sourcing service	100.0	100.0
SKT Vietnam PTE. Ltd.	Singapore	Telecommunication service	73.3	73.3
SK Planet Global PTE. Ltd.	Singapore	Digital contents sourcing service	100.0	100.0
SKP GLOBAL HOLDINGS PTE. LTD.	Singapore	Investment association	100.0	100.0
SKT Americas, Inc.	USA	Information gathering and consulting	100.0	100.0
SKP America LLC.	USA	Digital contents sourcing service	100.0	100.0
YTK Investment Ltd.	Cayman	Investment association	100.0	100.0
Atlas Investment	Cayman	Investment association	100.0	100.0

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

(2) List of subsidiaries, Continued

The list of subsidiaries as of September 30, 2015 and December 31, 2014 is as follows, Continued:

Subsidiary	Location	Primary business	Ownership (%)	
			September 30, 2015	December 31, 2014
Technology Innovation Partners, LP.	USA	Investment association	100.0	100.0
SK Telecom China Fund I L.P.	Cayman	Investment association	100.0	100.0
Entrix Co., Ltd.(*4)	Korea	Cloud streaming services	100.0	
shopkick Management Company, Inc.	USA	Investment association	95.2	95.2
shopkick, Inc.	USA	Mileage-based online transaction application development	100.0	100.0

(\*1) On March 20, 2015, the Board of Directors of the Parent Company decided to grant 0.0168936 share of its treasury stock in exchange for 1 share of SK Broadband Co., Ltd., a subsidiary of the Parent Company, to the shareholders of SK Broadband Co., Ltd. as of June 9, 2015. After the stock exchange, SK Broadband Co., Ltd. became a wholly-owned subsidiary of the Parent Company.

(\*2) Due to the shareholders' agreement which grants put option to the non-controlling shareholders, this entity is consolidated as a wholly owned subsidiary in the consolidated financial statements. The Parent Company newly acquired 50,377 and 326,748 shares of Neosnetworks Co., Ltd. by participating in the capital increase and capital increase without consideration respectively during the nine-month period ended September 30, 2015.

(\*3) Although the Group has less than 50% of the voting rights of IRIVER LIMITED, it is considered to have de facto control since the Group holds significantly more voting rights than any other vote holder or organized group of vote holders, and the other shareholdings are widely dispersed.

(\*4) Changes in subsidiaries are explained in Note 1-(4).

In accordance with the Group's accounting policy relating to the scope of consolidation, small-sized subsidiaries including IM Shopping Inc. were excluded from the list of subsidiaries as the effects on the Group's consolidated financial statements are not material considering both individual and overall quantitative and qualitative effects.

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

(3) Condensed financial information of subsidiaries

Condensed financial information of subsidiaries as of and for the nine-month period ended September 30, 2015 is as follows:

*(In millions of won)*

Subsidiary	Total assets	Total liabilities	Total equity (deficit)	Revenue	Profit (loss) for the period
SK Telink Co., Ltd.	339,271	148,274	190,997	326,817	51,974
M&Service Co., Ltd.	83,611	38,062	45,549	100,682	4,193
SK Communications Co., Ltd.	164,838	38,628	126,210	61,242	(7,992)
Stonebridge Cinema Fund	11,910	406	11,504		3,288
Commerce Planet Co., Ltd.	26,870	27,824	(954)	60,700	238
SK Broadband Co., Ltd.	3,289,291	2,175,494	1,113,797	2,001,285	(805)
K-net Culture and Contents Venture Fund	13,255		13,255		(335)
Fitech Focus Limited Partnership II	18,378		18,378		(933)
Open Innovation Fund	20,500		20,500		(1,296)
PS&Marketing Corporation	539,648	329,878	209,770	1,326,114	1,683
Service Ace Co., Ltd.	69,571	38,737	30,834	156,508	2,874
Service Top Co., Ltd.	67,531	43,770	23,761	148,890	5,153
Network O&S Co., Ltd.	64,468	33,225	31,243	147,462	5,656
BNCP Co., Ltd.	5,595	5,713	(118)	8,288	(1,015)
Iconcube Holdings, Inc.(*1)	1,099	351	748	1,223	(150)
SK Planet Co., Ltd.	2,623,352	916,833	1,706,519	1,188,736	(19,255)
Neosnetworks Co.,Ltd.	72,418	18,338	54,080	42,246	(4,233)
IRIVER LIMITED(*2)	60,164	11,855	48,309	40,264	527
SK Telecom China Holdings Co., Ltd.	36,057	1,656	34,401	5,889	(12,639)
SK Global Healthcare Business Group., Ltd.	24,584		24,584		(1,290)
SK Planet Japan, K. K.	4,837	682	4,155	427	(3,507)
SKT Vietnam PTE. Ltd.	4,610	1,397	3,213		
SK Planet Global PTE. Ltd.	1,520	118	1,402	1	(3,343)
SKP GLOBAL HOLDINGS PTE. LTD.	33,544	1	33,543		(13,494)
SKT Americas, Inc.	51,635	820	50,815	6,530	(3,602)
SKP America LLC.	369,200	88	369,112		(118)
YTK Investment Ltd.	16,631		16,631		(3,184)
Atlas Investment(*3)	78,326	145	78,181		(2,313)
Entrix Co., Ltd.	28,960	528	28,432	1,259	(1,129)
shopkick Management Company, Inc.	296,700	7	296,693		(2,435)
shopkick, Inc.	27,250	29,915	(2,665)	18,470	(41,146)

(\*1) The condensed financial information of Iconcube Holdings, Inc. includes financial information of Iconcube, Inc., a subsidiary of Iconcube Holdings, Inc.

(\*2)

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The condensed financial information of IRIVER LIMITED includes financial information of iriver Enterprise Ltd., iriver America Inc., iriver Inc., iriver China Co., Ltd., Dongguan iriver Electronics Co., Ltd. and Groovers JP Ltd. subsidiaries of IRIVER LIMITED.

(\*3) The financial information of Atlas Investment includes financial information of Technology Innovation Partners, L.P. and SK Telecom China Fund I L.P., subsidiaries of Atlas Investment.

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

(3) Condensed financial information of subsidiaries, Continued

Condensed financial information of subsidiaries as of and for the year ended December 31, 2014 is as follows:

*(In millions of won)*

Subsidiary	Total assets	Total liabilities	Total equity (deficit)	Revenue	Profit (loss) for the year
SK Telink Co., Ltd.	324,028	184,074	139,954	465,463	13,073
M&Service Co., Ltd.	78,826	36,817	42,009	133,789	7,492
SK Communications Co., Ltd.	176,168	41,987	134,181	93,910	(18,386)
Stonebridge Cinema Fund	11,137	320	10,817		383
Commerce Planet Co., Ltd.	26,078	27,259	(1,181)	64,509	933
SK Broadband Co., Ltd.	3,109,991	1,988,379	1,121,612	2,654,381	4,307
K-net Culture and Contents Venture Fund	21,094	4	21,090		4,920
Fitech Focus Limited Partnership II	19,301		19,301		(2,055)
Open Innovation Fund	21,765		21,765		(6,266)
PS&Marketing Corporation	544,292	336,221	208,071	1,627,217	2,817
Service Ace Co., Ltd.	66,336	37,770	28,566	207,427	3,570
Service Top Co., Ltd.	57,032	36,723	20,309	188,835	3,503
Network O&S Co., Ltd.	71,348	45,770	25,578	211,916	3,823
BNCP Co., Ltd.	6,785	5,887	898	12,869	(1,505)
Iconcube Holdings, Inc.(*1)	1,415	515	900	630	(2,284)
SK Planet Co., Ltd.	2,579,286	746,832	1,832,454	1,512,492	1,593
Neosnetworks Co.,Ltd.	31,633	13,251	18,382	33,302	(1,989)
IRIVER LIMITED(*2)	61,945	14,392	47,553	53,192	2,345
SK Telecom China Holdings Co., Ltd.	37,877	2,335	35,542	12,420	1,058
Shenzhen E-eye High Tech Co., Ltd.	15,566	408	15,158	3,637	(1,143)
SK Global Healthcare Business Group., Ltd.	25,874		25,874		(689)
SK Planet Japan, K. K.	5,222	1,638	3,584	93	(4,561)
SKT Vietnam PTE. Ltd.	4,242	1,286	2,956		(73)
SK Planet Global PTE. Ltd.	4,215	64	4,151	87	(2,543)
SKP GLOBAL HOLDINGS PTE. LTD.	29,529	11	29,518		(9,716)
SKT Americas, Inc.	42,159	554	41,605	9,100	(5)
SKP America LLC.	297,981	67	297,914		(2,370)
YTK Investment Ltd.	27,944		27,944		(15,259)
Atlas Investment(*3)	66,825	94	66,731		(6,626)
shopkick Management Company, Inc.	230,925		230,925		
shopkick, Inc.	28,216	13,698	14,518		

(\*1)

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The condensed financial information of Iconcube Holdings, Inc. includes financial information of Iconcube, Inc., a subsidiary of Iconcube Holdings, Inc.

- (\*2) The condensed financial information of IRIVER LIMITED includes financial information of iriver CS Co. Ltd., iriver Enterprise Ltd., iriver America Inc., iriver Inc., iriver China Co., Ltd., and Dongguan iriver Electronics Co., Ltd., subsidiaries of IRIVER LIMITED.
- (\*3) The financial information of Atlas Investment includes financial information of Technology Innovation Partners, L.P. and SK Telecom China Fund I L.P., subsidiaries of Atlas Investment.

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

(4) Changes in subsidiaries

The list of subsidiaries that were newly included in consolidation during the nine-month period ended September 30, 2015 is as follows:

<b>Subsidiary</b>	<b>Reason</b>
Groovers JP Ltd.	Established by IRIVER LIMITED, a subsidiary of the Parent Company during the nine-month period ended September 30, 2015.

Entrix Co., Ltd                      Established by spin-off from SK Planet Co., Ltd., a subsidiary of the Parent Company.

The list of subsidiaries that were excluded from subsidiaries during the nine-month period ended September 30, 2015 is as follows:

<b>Subsidiary</b>	<b>Reason</b>
Iriver CS Co., Ltd.	Merged into IRIVER LIMITED, a subsidiary of the Parent Company during the nine-month period ended September 30, 2015.

Shenzhen E-eye High Tech  
Co., Ltd.                      Disposed during the nine-month period ended September 30, 2015.

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

- (5) The information of significant non-controlling interests of the Group as of and for the nine-month period ended September 30, 2015, and as of and for the year ended December 31, 2014 is as follows. There were no dividends paid during the nine-month period ended September 30, 2015 and year ended December 31, 2014 by subsidiaries of which non-controlling interests are significant.

<i>(In millions of won)</i>	<b>September 30, 2015</b> <b>SK Communications</b> <b>Co., Ltd.</b>
Ownership of non-controlling interests (%)	35.4
Current assets	97,865
Non-current assets	66,973
Current liabilities	(35,756)
Non-current liabilities	(2,872)
Net assets	126,210
Net assets of consolidated entities	126,210
Carrying amount of non-controlling interests	44,751
Revenue	61,242
Loss for the period	(7,992)
Loss of the consolidated entities	(7,992)
Total comprehensive loss	(7,970)
Loss attributable to non-controlling interests	(2,834)
Net cash used in operating activities	(2,118)
Net cash provided by investing activities	33,904
Net cash provided by financing activities	
Net increase in cash and cash equivalents	31,786



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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**1. Reporting Entity, Continued**

- (5) The information of significant non-controlling interests of the Group as of and for the nine-month period ended September 30, 2015, and as of and for the year ended December 31, 2014 is as follows. There were no dividends paid during the nine-month period ended September 30, 2015 and year ended December 31, 2014 by subsidiaries of which non-controlling interests are significant, Continued.

<i>(In millions of won)</i>	<b>December 31, 2014</b>	
	<b>SK Communications Co., Ltd.</b>	<b>SK Broadband Co., Ltd.</b>
Ownership of non-controlling interests (%)	35.4	49.4
Current assets	89,135	463,764
Non-current assets	87,033	2,646,227
Current liabilities	(41,252)	(881,886)
Non-current liabilities	(735)	(1,106,493)
Net assets	134,181	1,121,612
Adjustment for fair value		111,561
Net assets of consolidated entities	134,181	1,233,173
Carrying amount of non-controlling interests	47,577	609,638
Revenue	93,910	2,654,381
Profit (loss) for the period	(18,386)	4,307
Amortization of fair value adjustment		(1,916)
Profit (loss) of the consolidated entities	(18,386)	2,391
Total comprehensive income (loss)	530	(10,324)
Profit (loss) attributable to non-controlling interests	(6,519)	1,182
Net cash provided by (used in) operating activities	(5,962)	431,760
Net cash used in investing activities	(17,927)	(599,016)
Net cash provided by financing activities		119,484
Net decrease in cash and cash equivalents	(23,889)	(47,772)

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**2. Basis of Preparation**

(1) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards ( K-IFRS ), as prescribed in the Act on External Audits of Stock Companies.

These condensed consolidated interim financial statements were prepared in accordance with K-IFRS No. 1034, Interim Financial Reporting as part of the period covered by the Group s K-IFRS annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2014. These condensed consolidated interim financial statements do not include all of the disclosures required for full annual financial statements.

(2) Use of estimates and judgments

1) Critical judgments, assumptions and estimation uncertainties

The preparation of the condensed consolidated interim financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2014.

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SK TELECOM CO., LTD. and Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

For the nine-month periods ended September 30, 2015 and 2014

**2. Basis of Preparation, Continued**

(2) Use of estimates and judgments, Continued

2) Fair value measurement

Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the finance executive.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of K-IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Information about assumptions used for fair value measurements are included in Note 33.

(3) Common control transactions

SK Holdings Co., Ltd. ( the Ultimate Controlling Entity ) is the Ultimate Controlling Entity of the Parent Company because it controls the Parent Company. Accordingly, gains and losses from business acquisitions and dispositions involving entities that are under the control of the Ultimate Controlling Entity are accounted for as common control transactions within equity.

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**3. Significant Accounting Policies**

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended December 31, 2014. The following changes in accounting policy are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2015.

(1) Changes in accounting policies

The following amendment to existing standards has been published and are mandatory for the Group for annual periods beginning on or after July 1, 2014.

1) K-IFRS 1019 Employee Benefits Employee contributions

Amendments to K-IFRS 1019 introduced a practical expedient to accounting for defined benefit plan, when employees or third parties pay contributions if certain criteria are met. According to the amendments, the entity is permitted to recognize those contributions as a reduction of the service cost in the period in which the related service is rendered, instead of forecast future contributions from employees or third parties and attribute them to periods or service as negative benefits.

There is no material impact of the application of this amendment on the consolidated financial statements.

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**4. Operating Segments**

The Group's operating segments have been determined to be each business unit, for which the Group provides independent services and merchandise. The Group's reportable segments are: 1) cellular services, which include cellular voice service, wireless data service and wireless internet services, and 2) fixed-line telecommunication services, which include telephone services, internet services, and leased line services. All other operating segments, which include the Group's internet portal services and other operations, do not meet the quantitative thresholds to be considered reportable segments and are presented as Others.

(1) Details of the segment information as of and for the nine-month period ended September 30, 2015 are as follows:

(In millions of won)

	<b>Cellular Services</b>	<b>Fixed-line Telecommunication services</b>	<b>Others</b>	<b>Sub-total</b>	<b>Consolidation adjustments</b>	<b>Consolidated amount</b>
Total revenue	11,197,968	2,328,102	1,536,305	15,062,375	(2,304,990)	12,757,385
Inter-segment revenue	1,288,867	470,496	545,627	2,304,990	(2,304,990)	
External revenue	9,909,101	1,857,606	990,678	12,757,385		12,757,385
Depreciation and amortization	1,616,493	394,646	104,434	2,115,573		2,115,573
Operating income (loss)	1,288,478	74,686	(57,010)	1,306,154		1,306,154
Finance income and costs, net						(166,167)
Gain related to investments in subsidiaries, associates and joint ventures, net						626,278
Other non-operating income and expense, net						(135,818)
Profit before income tax						1,630,447
Total assets	23,885,941	3,628,563	3,220,129	30,734,633	(2,175,913)	28,558,720
Total liabilities	9,545,761	2,323,767	1,098,331	12,967,859	(42,909)	12,924,950

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**4. Operating Segments, Continued**

(2) Details of the segment information as of and for the nine-month period ended September 30, 2014 are as follows:

*(In millions of won)*

	Cellular Services	Fixed-line Telecommunication		Sub-total	Consolidation adjustments	Consolidated amount
		services	Others			
Total revenue	11,478,490	2,317,649	1,349,160	15,145,299	(2,270,527)	12,874,772
Inter-segment revenue	1,221,568	471,647	577,312	2,270,527	(2,270,527)	
External revenue	10,256,922	1,846,002	771,848	12,874,772		12,874,772
Depreciation and amortization	1,561,071	373,557	61,984	1,996,612		1,996,612
Operating income (loss)	1,298,439	45,701	(9,088)	1,335,052		1,335,052
Finance income and costs, net						(187,636)
Gain related to investments in subsidiaries, associates and joint ventures, net						566,846
Other non-operating income and expense, net						(107,920)
Profit before income tax						1,606,342
Total assets	23,641,202	3,377,099	3,162,451	30,180,752	(2,495,777)	27,684,975
Total liabilities	9,958,923	2,117,375	896,992	12,973,290	(32,390)	12,940,900

Intersegment sales and purchases are conducted on an arms-length basis and eliminated on consolidation. Since there are no intersegment sales of inventory, there is no unrealized intersegment profit to be eliminated on consolidation. The Group principally operates its business in its domestic market in Korea and the amounts outside of Korea are immaterial, therefore no entity-wide geographical information is presented.

No single customer contributed 10% or more to the Group's total revenue for the nine-month periods ended September 30, 2015 and 2014.

**5. Restricted Deposits**

Deposits which are restricted in use as of September 30, 2015 and December 31, 2014 are summarized as follows:

*(In millions of won)*

	September 30, 2015	December 31, 2014
Short-term financial instruments(*)	88,969	90,321
Long-term financial instruments(*)	10,601	612
Guarantee deposits	280	280
	99,850	91,213

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(\*) Financial instruments include charitable trust fund established by the Group. Profits from the fund are donated to charitable institutions. As of September 30, 2015, the funds cannot be withdrawn.

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**6. Trade and Other Receivables**

(1) Details of trade and other receivables as of September 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	Gross amount	September 30, 2015 Allowances for impairment	Carrying amount
<b>Current assets:</b>			
Accounts receivable - trade	2,799,114	(243,617)	2,555,497
Short-term loans	40,517	(322)	40,195
Accounts receivable - other	798,275	(72,547)	725,728
Accrued income	11,470		11,470
Others	1,855		1,855
	3,651,231	(316,486)	3,334,745
<b>Non-current assets:</b>			
Long-term loans	87,917	(25,193)	62,724
Long-term accounts receivable - other	2,388		2,388
Guarantee deposits	301,807		301,807
Long-term accounts receivable - trade	56,557	(1,287)	55,270
	448,669	(26,480)	422,189